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2012 Commission Summary for Red Willow County

Residential Real Property - Current

| | | | |
|------------------------|--------------|------------------------------------|----------|
| Number of Sales | 267 | Median | 94.72 |
| Total Sales Price | \$20,845,634 | Mean | 98.16 |
| Total Adj. Sales Price | \$20,884,534 | Wgt. Mean | 91.73 |
| Total Assessed Value | \$19,156,743 | Average Assessed Value of the Base | \$56,877 |
| Avg. Adj. Sales Price | \$78,219 | Avg. Assessed Value | \$71,748 |

Confidence Interval - Current

| | |
|-----------------------------------------------------------|-----------------|
| 95% Median C.I | 92.45 to 96.53 |
| 95% Wgt. Mean C.I | 89.84 to 93.61 |
| 95% Mean C.I | 95.37 to 100.95 |
| % of Value of the Class of all Real Property Value in the | 36.63 |
| % of Records Sold in the Study Period | 5.51 |
| % of Value Sold in the Study Period | 6.95 |

Residential Real Property - History

| Year | Number of Sales | LOV | Median |
|------|-----------------|-----|--------|
| 2011 | 293 | 96 | 96 |
| 2010 | 333 | 97 | 97 |
| 2009 | 369 | 98 | 98 |
| 2008 | 375 | 95 | 95 |

2012 Commission Summary for Red Willow County

Commercial Real Property - Current

| | | | |
|------------------------|-------------|------------------------------------|-----------|
| Number of Sales | 28 | Median | 98.08 |
| Total Sales Price | \$4,174,500 | Mean | 99.05 |
| Total Adj. Sales Price | \$4,173,000 | Wgt. Mean | 95.48 |
| Total Assessed Value | \$3,984,479 | Average Assessed Value of the Base | \$144,693 |
| Avg. Adj. Sales Price | \$149,036 | Avg. Assessed Value | \$142,303 |

Confidence Interval - Current

| | |
|------------------------------------------------------------------|-----------------|
| 95% Median C.I | 89.71 to 101.82 |
| 95% Wgt. Mean C.I | 84.64 to 106.32 |
| 95% Mean C.I | 85.76 to 112.34 |
| % of Value of the Class of all Real Property Value in the County | 14.05 |
| % of Records Sold in the Study Period | 3.83 |
| % of Value Sold in the Study Period | 3.77 |

Commercial Real Property - History

| Year | Number of Sales | LOV | Median |
|------|-----------------|-----|--------|
| 2011 | 37 | 99 | 99 |
| 2010 | 40 | 98 | 98 |
| 2009 | 29 | 99 | 99 |
| 2008 | 31 | 96 | 96 |

2012 Opinions of the Property Tax Administrator for Red Willow County

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

| Class | Level of Value | Quality of Assessment | Non-binding recommendation |
|----------------------------------|----------------|----------------------------------------------------|----------------------------|
| Residential Real Property | 95 | Meets generally accepted mass appraisal practices. | No recommendation. |
| | | | |
| Commercial Real Property | 98 | Meets generally accepted mass appraisal practices. | No recommendation. |
| | | | |
| Agricultural Land | 70 | Meets generally accepted mass appraisal practices. | No recommendation. |
| | | | |

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

Dated this 9th day of April, 2012.



Ruth A. Sorensen
Property Tax Administrator

2012 Residential Assessment Actions for Red Willow County

All pickup work was timely completed for 2012 and new values assessed as reported. The assessor's office completed the physical inspections on all residential dwellings for properties within neighborhood 8000. A physical inspection of all rural and suburban outbuildings in neighborhoods 8000 and 8500 were completed with updated costing tables of June/2010. Neighborhoods were studied to determine any market area problems. New growth of residential value attributed to 2.8 million in value for 2012.

2012 Residential Assessment Survey for Red Willow County

| | | |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Valuation data collection done by: | |
| | The assessor and staff | |
| 2. | In your opinion, what are the valuation groupings recognized in the County and describe the unique characteristics of each grouping: | |
| | <u>Valuation Grouping</u> | <u>Description of unique characteristics</u> |
| | 01 | The City of McCook is the largest residential based community with a population near 8,000. The City is encouraging property owners in the older, original part of the City to clear structures that are in poor condition. There are a limited number of vacant lots in the older neighborhoods. The newer subdivisions have restricted covenants that limit the demand for these lots. New construction is minimal in the City of McCook at this time. |
| | 02 | Indianola is a small Village located east of McCook along Hwy 6&34. It serves as a farming area and a bedroom community to McCook with approximately 620 residents. |
| | 03 | Bartley is located on east of Indianola and has nearly 350 residents. It has a very small commercial base for residents. |
| | 04 | Lebanon is a very small Village located southeast of McCook with less than 70 residents. The majority of the residential properties are vacant. |
| | 05 | Danbury is located on Hwy 89 near Lebanon and has a limited demand for residential property. The population is less than 100. |
| | 06 | This grouping contains the suburban areas around McCook including the neighborhood 8500 which extends out to the west and north of the suburban boundary. |
| | 07 | Rural residential parcels are outside the City and Village boundaries with their own water wells and utility services. |
| 3. | List and describe the approach(es) used to estimate the market value of residential properties. | |
| | Cost approach and Sales comparison; the assessor develops spreadsheets and manuals of all sales for each grouping. The depreciation tables are developed from the information gathered from the studies. | |
| 4 | What is the costing year of the cost approach being used for each valuation grouping? | |
| | 01- 06/08; 02-06/08; 03-06/08; 04-06/08; 05-06/08; 06-06/08; 07-06/02 | |
| 5. | If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor? | |
| | Local market information | |
| 6. | Are individual depreciation tables developed for each valuation grouping? | |
| | Yes | |
| 7. | When were the depreciation tables last updated for each valuation grouping? | |

| | |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------|
| | 01- 2009; 02-2010; 03-2010; 04-2010; 05-2010; 06-2010; 07-2005 |
| 8. | When was the last lot value study completed for each valuation grouping? |
| | 2012- lot studies are reviewed every year |
| 9. | Describe the methodology used to determine the residential lot values? |
| | Through the market of vacant lots and the square foot of each lot; or market data. |
| 10. | How do you determine whether a sold parcel is substantially changed? |
| | If the improvement adds more than a minimal value the assessor would classify it as substantially improved (example: addition, garage, dwelling) |

73 Red Willow

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 : 267
 Total Sales Price : 20,845,634
 Total Adj. Sales Price : 20,884,534
 Total Assessed Value : 19,156,743
 Avg. Adj. Sales Price : 78,219
 Avg. Assessed Value : 71,748

MEDIAN : 95
 WGT. MEAN : 92
 MEAN : 98
 COD : 15.96
 PRD : 107.01

COV : 23.70
 STD : 23.26
 Avg. Abs. Dev : 15.12
 MAX Sales Ratio : 223.43
 MIN Sales Ratio : 44.43

95% Median C.I. : 92.45 to 96.53
 95% Wgt. Mean C.I. : 89.84 to 93.61
 95% Mean C.I. : 95.37 to 100.95

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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 | 30 | 95.29 | 95.94 | 93.35 | 09.89 | 102.77 | 70.41 | 132.56 | 88.71 to 98.59 | 74,788 | 69,818 |
| 01-OCT-09 To 31-DEC-09 | 33 | 96.91 | 104.18 | 94.99 | 16.68 | 109.67 | 68.07 | 175.04 | 92.86 to 103.05 | 67,855 | 64,454 |
| 01-JAN-10 To 31-MAR-10 | 31 | 92.36 | 91.36 | 89.63 | 10.29 | 101.93 | 63.92 | 134.22 | 84.83 to 95.55 | 71,980 | 64,519 |
| 01-APR-10 To 30-JUN-10 | 43 | 93.04 | 94.16 | 88.87 | 12.34 | 105.95 | 57.44 | 125.56 | 89.68 to 97.60 | 88,873 | 78,986 |
| 01-JUL-10 To 30-SEP-10 | 31 | 93.93 | 103.20 | 89.85 | 21.35 | 114.86 | 66.36 | 215.89 | 86.21 to 100.18 | 71,132 | 63,910 |
| 01-OCT-10 To 31-DEC-10 | 32 | 95.94 | 96.87 | 94.22 | 13.49 | 102.81 | 63.73 | 129.14 | 85.97 to 105.01 | 74,419 | 70,116 |
| 01-JAN-11 To 31-MAR-11 | 24 | 98.05 | 101.49 | 93.51 | 24.31 | 108.53 | 44.43 | 204.48 | 85.06 to 113.73 | 80,294 | 75,079 |
| 01-APR-11 To 30-JUN-11 | 43 | 93.27 | 99.48 | 91.57 | 19.70 | 108.64 | 66.75 | 223.43 | 85.35 to 102.82 | 89,191 | 81,673 |
| <u>Study Yrs</u> | | | | | | | | | | | |
| 01-JUL-09 To 30-JUN-10 | 137 | 94.68 | 96.33 | 91.29 | 12.52 | 105.52 | 57.44 | 175.04 | 92.36 to 96.26 | 76,904 | 70,204 |
| 01-JUL-10 To 30-JUN-11 | 130 | 95.94 | 100.10 | 92.17 | 19.34 | 108.60 | 44.43 | 223.43 | 91.80 to 98.15 | 79,606 | 73,375 |
| <u>Calendar Yrs</u> | | | | | | | | | | | |
| 01-JAN-10 To 31-DEC-10 | 137 | 93.93 | 96.20 | 90.43 | 14.21 | 106.38 | 57.44 | 215.89 | 92.07 to 96.26 | 77,660 | 70,229 |
| <u>ALL</u> | 267 | 94.72 | 98.16 | 91.73 | 15.96 | 107.01 | 44.43 | 223.43 | 92.45 to 96.53 | 78,219 | 71,748 |

VALUATION GROUPING

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|------------|-------|--------|--------|----------|-------|--------|-------|--------|-----------------|----------------------|----------------|
| 01 | 214 | 94.59 | 99.68 | 92.73 | 16.44 | 107.49 | 64.52 | 223.43 | 92.45 to 96.60 | 73,605 | 68,252 |
| 02 | 9 | 99.68 | 88.54 | 82.63 | 19.33 | 107.15 | 44.43 | 119.28 | 58.13 to 110.95 | 52,278 | 43,200 |
| 03 | 9 | 98.59 | 102.06 | 95.48 | 15.01 | 106.89 | 71.21 | 132.56 | 87.58 to 124.92 | 42,722 | 40,791 |
| 04 | 2 | 91.88 | 91.88 | 91.40 | 04.63 | 100.53 | 87.63 | 96.13 | N/A | 7,200 | 6,581 |
| 05 | 2 | 92.14 | 92.14 | 92.23 | 00.20 | 99.90 | 91.96 | 92.31 | N/A | 24,750 | 22,826 |
| 06 | 19 | 94.74 | 92.50 | 90.48 | 09.77 | 102.23 | 69.53 | 117.36 | 82.94 to 98.78 | 167,267 | 151,337 |
| 07 | 12 | 92.39 | 86.43 | 83.07 | 18.15 | 104.04 | 55.53 | 126.66 | 63.92 to 99.61 | 86,333 | 71,718 |
| <u>ALL</u> | 267 | 94.72 | 98.16 | 91.73 | 15.96 | 107.01 | 44.43 | 223.43 | 92.45 to 96.53 | 78,219 | 71,748 |

PROPERTY TYPE *

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|------------|-------|--------|--------|----------|-------|--------|-------|--------|-----------------|----------------------|----------------|
| 01 | 248 | 94.53 | 96.98 | 91.38 | 15.30 | 106.13 | 44.43 | 215.89 | 92.36 to 96.28 | 81,943 | 74,878 |
| 06 | | | | | | | | | | | |
| 07 | 19 | 100.18 | 113.56 | 104.31 | 22.94 | 108.87 | 76.39 | 223.43 | 90.20 to 122.48 | 29,618 | 30,896 |
| <u>ALL</u> | 267 | 94.72 | 98.16 | 91.73 | 15.96 | 107.01 | 44.43 | 223.43 | 92.45 to 96.53 | 78,219 | 71,748 |

73 Red Willow

RESIDENTIAL

PAD 2012 R&O Statistics (Using 2012 Values)

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 MEAN : 98
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 PRD : 107.01

COV : 23.70
 STD : 23.26
 Avg. Abs. Dev : 15.12
 MAX Sales Ratio : 223.43
 MIN Sales Ratio : 44.43

95% Median C.I. : 92.45 to 96.53
 95% Wgt. Mean C.I. : 89.84 to 93.61
 95% Mean C.I. : 95.37 to 100.95

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| SALE PRICE * | | | | | | | | | | | Avg. Adj. | Avg. |
|----------------------------|-------|--------|--------|----------|-------|--------|--------|--------|-----------------|------------|-----------|------|
| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Sale Price | Assd. Val | |
| <u>Low \$ Ranges</u> | | | | | | | | | | | | |
| Less Than 5,000 | 1 | 167.28 | 167.28 | 167.28 | 00.00 | 100.00 | 167.28 | 167.28 | N/A | 4,000 | 6,691 | |
| Less Than 15,000 | 15 | 122.48 | 129.69 | 126.31 | 25.61 | 102.68 | 86.05 | 215.89 | 94.03 to 167.28 | 9,027 | 11,401 | |
| Less Than 30,000 | 54 | 105.53 | 116.34 | 111.31 | 24.86 | 104.52 | 58.13 | 223.43 | 96.54 to 119.28 | 19,740 | 21,973 | |
| <u>Ranges Excl. Low \$</u> | | | | | | | | | | | | |
| Greater Than 4,999 | 266 | 94.70 | 97.90 | 91.71 | 15.73 | 106.75 | 44.43 | 223.43 | 92.45 to 96.53 | 78,498 | 71,993 | |
| Greater Than 14,999 | 252 | 94.48 | 96.29 | 91.50 | 14.59 | 105.23 | 44.43 | 223.43 | 92.31 to 96.39 | 82,338 | 75,340 | |
| Greater Than 29,999 | 213 | 92.86 | 93.55 | 90.67 | 12.67 | 103.18 | 44.43 | 144.22 | 90.32 to 95.19 | 93,045 | 84,367 | |
| <u>Incremental Ranges</u> | | | | | | | | | | | | |
| 0 TO 4,999 | 1 | 167.28 | 167.28 | 167.28 | 00.00 | 100.00 | 167.28 | 167.28 | N/A | 4,000 | 6,691 | |
| 5,000 TO 14,999 | 14 | 121.32 | 127.01 | 125.06 | 25.07 | 101.56 | 86.05 | 215.89 | 91.96 to 168.17 | 9,386 | 11,738 | |
| 15,000 TO 29,999 | 39 | 103.46 | 111.21 | 109.13 | 22.23 | 101.91 | 58.13 | 223.43 | 95.55 to 116.99 | 23,860 | 26,039 | |
| 30,000 TO 59,999 | 58 | 96.76 | 101.09 | 99.72 | 16.24 | 101.37 | 70.41 | 144.22 | 93.45 to 104.67 | 44,116 | 43,991 | |
| 60,000 TO 99,999 | 90 | 94.52 | 93.82 | 93.48 | 11.02 | 100.36 | 44.43 | 125.64 | 92.31 to 97.90 | 79,914 | 74,708 | |
| 100,000 TO 149,999 | 40 | 86.47 | 85.68 | 85.54 | 08.96 | 100.16 | 57.44 | 104.26 | 82.21 to 89.71 | 124,165 | 106,217 | |
| 150,000 TO 249,999 | 19 | 91.27 | 88.33 | 87.82 | 09.92 | 100.58 | 69.53 | 101.30 | 78.20 to 98.01 | 181,053 | 159,004 | |
| 250,000 TO 499,999 | 6 | 83.82 | 85.75 | 85.81 | 05.81 | 99.93 | 78.28 | 97.66 | 78.28 to 97.66 | 276,830 | 237,542 | |
| 500,000 TO 999,999 | | | | | | | | | | | | |
| 1,000,000 + | | | | | | | | | | | | |
| <u>ALL</u> | 267 | 94.72 | 98.16 | 91.73 | 15.96 | 107.01 | 44.43 | 223.43 | 92.45 to 96.53 | 78,219 | 71,748 | |

**2012 Correlation Section
for Red Willow County**

A. Residential Real Property

The City of McCook is the major residential location for approximately 70% of the valuation base for residential property. The City of 8,000 residents has the only Community College, large hospital, Wal-Mart, and retail supplier within a 60 mile radius. New construction has decreased from 2011 by nearly one million in value. The numbers of qualified sales have also declined from the previous year by 9%. Both of these are signs of a declining residential market.

The assessor has utilized 70% of the total number of residential sales for arm's length transactions. The county conducts a sales review process that supports uniform assessment practices. Often the staff will follow up with a physical inspection of the sold properties and the questionnaire information. For 2012 the assessor completed physical inspections of all rural and suburban outbuildings in neighborhoods 8000 and 8500. These received updated costing of June/2010.

All three measures of central tendency are within the acceptable parameters for residential property. It is determined the level of value for the residential real property class for 2012 is 95. Based on the consideration of all available information and the known assessment practices of the Red Willow County Assessor, the quality of assessments are uniform and proportionate.

**2012 Correlation Section
for Red Willow County**

B. Analysis of Sales Verification

Neb. Rev. Stat. § 77-1327(2) (2011) provides that all sales are deemed to be arms length transactions unless determined to be otherwise under professionally accepted mass appraisal techniques. The county assessor is responsible for the qualification of the sales included in the state sales file.

The Standard on Ratio Studies, International Association of Assessing Officials (2010), indicates that excessive trimming (the arbitrary exclusion or adjustment of arms length transactions) may indicate an attempt to inappropriately exclude arms length transactions to create the appearance of a higher level of value and quality of assessment. The sales file, in a case of excess trimming, will fail to properly represent the level of value and quality of assessment of the population of real property.

The Nebraska Department of Revenue, Property Assessment Division (Division) frequently reviews the procedures used by the county assessor to qualify sales to ensure bias does not exist in judgments made. Arms length transactions should only be excluded when they compromise the reliability of the resulting statistics. In cases where a county assessor has disqualified sales without substantiation, the Division may include such sales in the ratio study.

2012 Correlation Section for Red Willow County

C. Measures of Central Tendency

There are three measures of central tendency calculated by the Division: median ratio, weighted mean ratio, and mean ratio. Since each measure of central tendency has strengths and weaknesses, the use of any statistic for equalization should be reconciled with the other two, as in an appraisal, based on the appropriateness of the use of the statistic for a defined purpose, the quantity of the information from which it was drawn, and the reliability of the data that was used in its calculation. An examination of the three measures can serve to illustrate important trends in the data if the measures do not closely correlate to each other.

The International Association of Assessing Officers (IAAO) considers the median ratio the most appropriate statistical measure for use in determining level of value for direct equalization; the process of adjusting the values of classes or subclasses of property in response to the determination of level of value at a point above or below a particular range. Since the median ratio is considered neutral in relationship to either assessed value or selling price, its use in adjusting the class or subclass of properties will not change the relationships between assessed value and level of value already present within the class or subclass of properties, thus rendering an adjustment neutral in its impact on the relative tax burden to an individual property. Additionally, the median ratio is less influenced by the presence of extreme ratios, commonly called outliers. One outlier in a small sample size of sales can have controlling influence over the other measures of central tendency. The median ratio limits the distortion potential of an outlier.

The weighted mean ratio is viewed by the IAAO as the most appropriate statistical measure for indirect equalization. The weighted mean, because it is a value weighted ratio, best reflects a comparison of the assessed and market value of property in the political subdivision. If the distribution of aid to political subdivisions must relate to the market value available for assessment in the political subdivision, the measurement of central tendency used to analyze level of value should reflect the dollars of value available to be assessed. The weighted mean ratio does that more than either of the other measures of central tendency.

If the weighted mean ratio, because of its dollar-weighting feature, is significantly different from the median ratio, it may be an indication of other problems with assessment proportionality. When this occurs, an evaluation of the county's assessment practices and procedures is appropriate to discover remedies to the situation.

The mean ratio is used as a basis for other statistical calculations, such as the price related differential and coefficient of variation. However, the mean ratio has limited application in the analysis of level of value because it assumes a normal distribution of the data set around the mean ratio with each ratio having the same impact on the calculation regardless of the assessed value or the selling price.

2012 Correlation Section for Red Willow County

D. Analysis of Quality of Assessment

In analyzing the statistical data of assessment quality, there are two measures upon which assessment officials will primarily rely: the Coefficient of Dispersion (COD), and the Price Related Differential (PRD). Whether such statistics can be relied upon as meaningful for the population depends on whether the sample is representative.

The COD is commonly referred to as the index of assessment inequality. It is used to measure how closely the individual ratios are clustered around the median ratio and suggests the degree of uniformity or inaccuracy resulting in the assessments. The COD is computed by dividing the average deviation by the median ratio. For example, a COD of 20 means half of the ratios are 20 percent above or below the median. The closer the ratios are grouped around the median, the more equitable the assessment of property tends to be. Conversely, if the dispersion is quite large, there is a large spread in the ratios typically indicating a large spread around the median in the assessment of property, which results in an inequity in assessment and taxes. There is no range of acceptability stated in the Nebraska statutes for the COD measure. The IAAO recommended ratio study performance standards are as follows:

Single-family residences: a COD of 15 percent or less.

For newer and fairly homogeneous areas: a COD of 10 or less.

Income-producing property: a COD of 20 or less, or in larger urban jurisdictions, 15 or less.

Vacant land and other unimproved property, such as agricultural land: a COD of 20 or less.

Rural residential and seasonal properties: a COD of 20 or less.

Mass Appraisal of Real Property, International Association of Assessing Officers, (1999), p. 246.

In unusually homogeneous types of property low CODs can be anticipated; however, in all other cases CODs less than 5 percent may be indicative of non-representative samples or the selective reappraisal of sold parcels.

The PRD, also known as the index of regression, is a measurement of the relationship between the ratios of high-value and low-value properties to determine if the value of property has any influence on the assessment ratio. It is calculated by dividing the arithmetic mean ratio by the weighted mean ratio. The PRD provides an indicator of the degree to which high-value properties are over-assessed or under-assessed in relation to low-value properties. A PRD of 100 indicates there is no bias in the assessment of high-value properties in comparison to low-value properties. A PRD greater than 100 indicates the assessments are regressive, which means low-value properties tend to have a higher assessment ratio than high-value properties. The result is the owner of a low-value property pays a greater amount of tax in relation to value than the owner of a high-value property. Conversely, a PRD less than 100 indicates that high-value properties are over assessed in relation to low-value properties.

There is no range of acceptability stated in the Nebraska statutes for the PRD measure. The Standard on Ratio Studies, adopted by the International Association of Assessing Officers, January, 2010, recommends that the PRD should lie between 98 and 103. This range is

**2012 Correlation Section
for Red Willow County**

centered slightly above 100 to allow for a slightly upward measurement bias inherent in the PRD.

The PRD is calculated based on the selling price/assessed value in the sales file. This measure can be misleading if the dollar value of the records in the sales file is not proportionate to the dollar value of records in the population.

Mass Appraisal of Real Property, International Association of Assessing Officers, (1999), p. 239.

2012 Commercial Assessment Actions for Red Willow County

The commercial property class included an appraisal of a new large grain elevator with railroad track access and large capacity bins as well as various storage buildings, restaurants and new development in suburban McCook. Pickup work was timely completed. Jerry Knoche, a licensed appraiser works with the assessor to determine the cost, sales comparison and income approach on all of the new commercial data. New construction growth totaled 6.78 million in value in Red Willow County.

2012 Commercial Assessment Survey for Red Willow County

| | | |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Valuation data collection done by: | |
| | The assessor and staff | |
| 2. | In your opinion, what are the valuation groupings recognized in the County and describe the unique characteristics of each grouping: | |
| | <u>Valuation Grouping</u> | <u>Description of unique characteristics</u> |
| | 01 | The City of McCook is the largest commercial based community in Red Willow County. It has two large factories as well as a Super Wal-Mart. There is very limited retail businesses located downtown |
| | 02 | Indianola is a small village located 10 miles east of McCook on Hwy 6 & 34 where several people are retired. Limited jobs in this village make residents commute to McCook for employment or retirement living. |
| | 03 | Bartley sits east of Indianola with minimal commercial base. |
| | 04 | Lebanon is located in the southeast portion of the county with vacant commercial properties. The only operating business is the grain elevator. |
| | 05 | Danbury is located on Hwy 89 near Lebanon with majority of small business vacated. |
| | 06 | This grouping contains the suburban areas around McCook including neighborhood (8500) which extends to the west and north of the suburban boundaries. There are limited commercial properties in this valuation grouping. |
| | 07 | Rural commercial parcels outside of the city and village own their own water well and utility services. |
| 3. | List and describe the approach(es) used to estimate the market value of commercial properties. | |
| | All three approaches to value are used where applicable. Income data is not always available. Information for each occupancy code is limited to determine market value. | |
| 3a. | Describe the process used to value unique commercial properties. | |
| | Determine the occupancy code and gather all available data from surrounding counties with the same comparable property types. A contract appraiser is hired for unique commercial appraisal work. | |
| 4. | What is the costing year of the cost approach being used for each valuation grouping? | |
| | 06/07 | |
| 5. | If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor? | |
| | The local market data is used to develop the depreciation tables. | |
| 6. | Are individual depreciation tables developed for each valuation grouping? | |
| | The contracted appraiser determines the depreciation for the commercial property | |

| | |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------|
| | which is set by the market of each occupancy code. |
| 7. | When were the depreciation tables last updated for each valuation grouping? |
| | 2008 |
| 8. | When was the last lot value study completed for each valuation grouping? |
| | 2008 |
| 9. | Describe the methodology used to determine the commercial lot values. |
| | Local market data from vacant commercial lots are used to determine the per square foot, front foot or per acre value. |
| 10. | How do you determine whether a sold parcel is substantially changed? |
| | If the improvement adds more than a minimal value the assessor would classify it as substantially improved. (example: new construction) |

73 Red Willow

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 : 28
 Total Sales Price : 4,174,500
 Total Adj. Sales Price : 4,173,000
 Total Assessed Value : 3,984,479
 Avg. Adj. Sales Price : 149,036
 Avg. Assessed Value : 142,303

MEDIAN : 98
 WGT. MEAN : 95
 MEAN : 99
 COD : 23.99
 PRD : 103.74

COV : 34.59
 STD : 34.26
 Avg. Abs. Dev : 23.53
 MAX Sales Ratio : 178.26
 MIN Sales Ratio : 34.74

95% Median C.I. : 89.71 to 101.82
 95% Wgt. Mean C.I. : 84.64 to 106.32
 95% Mean C.I. : 85.76 to 112.34

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DATE OF SALE *

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|------------------------|-------|--------|--------|----------|-------|--------|--------|--------|-----------------|----------------------|----------------|
| <u>Qtrrs</u> | | | | | | | | | | | |
| 01-JUL-08 To 30-SEP-08 | 2 | 102.25 | 102.25 | 104.23 | 02.10 | 98.10 | 100.10 | 104.39 | N/A | 687,500 | 716,579 |
| 01-OCT-08 To 31-DEC-08 | 4 | 84.30 | 82.49 | 82.44 | 19.03 | 100.06 | 62.83 | 98.52 | N/A | 89,500 | 73,781 |
| 01-JAN-09 To 31-MAR-09 | 2 | 58.47 | 58.47 | 60.49 | 06.70 | 96.66 | 54.55 | 62.39 | N/A | 91,000 | 55,050 |
| 01-APR-09 To 30-JUN-09 | 4 | 90.86 | 93.68 | 88.46 | 09.76 | 105.90 | 79.90 | 113.10 | N/A | 176,250 | 155,912 |
| 01-JUL-09 To 30-SEP-09 | 1 | 106.73 | 106.73 | 106.73 | 00.00 | 100.00 | 106.73 | 106.73 | N/A | 120,000 | 128,071 |
| 01-OCT-09 To 31-DEC-09 | 3 | 99.18 | 110.25 | 100.82 | 14.70 | 109.35 | 93.91 | 137.66 | N/A | 136,167 | 137,280 |
| 01-JAN-10 To 31-MAR-10 | 1 | 96.23 | 96.23 | 96.23 | 00.00 | 100.00 | 96.23 | 96.23 | N/A | 25,000 | 24,058 |
| 01-APR-10 To 30-JUN-10 | 1 | 97.64 | 97.64 | 97.64 | 00.00 | 100.00 | 97.64 | 97.64 | N/A | 60,000 | 58,583 |
| 01-JUL-10 To 30-SEP-10 | 3 | 94.70 | 88.05 | 77.57 | 10.76 | 113.51 | 69.44 | 100.00 | N/A | 188,000 | 145,837 |
| 01-OCT-10 To 31-DEC-10 | 4 | 126.62 | 116.56 | 105.14 | 38.13 | 110.86 | 34.74 | 178.26 | N/A | 16,375 | 17,217 |
| 01-JAN-11 To 31-MAR-11 | 2 | 110.41 | 110.41 | 81.09 | 46.48 | 136.16 | 59.09 | 161.73 | N/A | 70,000 | 56,760 |
| 01-APR-11 To 30-JUN-11 | 1 | 164.71 | 164.71 | 164.71 | 00.00 | 100.00 | 164.71 | 164.71 | N/A | 170,000 | 280,000 |
| <u>Study Yrs</u> | | | | | | | | | | | |
| 01-JUL-08 To 30-JUN-09 | 12 | 90.86 | 85.51 | 93.97 | 17.17 | 91.00 | 54.55 | 113.10 | 62.83 to 100.10 | 218,333 | 205,169 |
| 01-JUL-09 To 30-JUN-10 | 6 | 98.41 | 105.23 | 101.48 | 09.45 | 103.70 | 93.91 | 137.66 | 93.91 to 137.66 | 102,250 | 103,759 |
| 01-JUL-10 To 30-JUN-11 | 10 | 100.91 | 111.59 | 95.78 | 39.64 | 116.51 | 34.74 | 178.26 | 59.09 to 164.71 | 93,950 | 89,990 |
| <u>Calendar Yrs</u> | | | | | | | | | | | |
| 01-JAN-09 To 31-DEC-09 | 10 | 92.96 | 92.91 | 89.98 | 18.50 | 103.26 | 54.55 | 137.66 | 62.39 to 113.10 | 141,550 | 127,366 |
| 01-JAN-10 To 31-DEC-10 | 9 | 97.64 | 102.69 | 82.44 | 26.90 | 124.56 | 34.74 | 178.26 | 69.44 to 151.42 | 79,389 | 65,447 |
| <u>ALL</u> | 28 | 98.08 | 99.05 | 95.48 | 23.99 | 103.74 | 34.74 | 178.26 | 89.71 to 101.82 | 149,036 | 142,303 |

VALUATION GROUPING

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|------------|-------|--------|--------|----------|-------|--------|-------|--------|-----------------|----------------------|----------------|
| 01 | 21 | 98.52 | 101.45 | 96.91 | 20.16 | 104.68 | 59.09 | 164.71 | 89.71 to 104.39 | 185,762 | 180,021 |
| 02 | 3 | 101.82 | 89.82 | 76.92 | 19.17 | 116.77 | 54.55 | 113.10 | N/A | 26,333 | 20,255 |
| 03 | 2 | 120.55 | 120.55 | 67.78 | 47.88 | 177.85 | 62.83 | 178.26 | N/A | 58,250 | 39,483 |
| 05 | 1 | 34.74 | 34.74 | 34.74 | 00.00 | 100.00 | 34.74 | 34.74 | N/A | 16,500 | 5,732 |
| 06 | 1 | 97.64 | 97.64 | 97.64 | 00.00 | 100.00 | 97.64 | 97.64 | N/A | 60,000 | 58,583 |
| <u>ALL</u> | 28 | 98.08 | 99.05 | 95.48 | 23.99 | 103.74 | 34.74 | 178.26 | 89.71 to 101.82 | 149,036 | 142,303 |

73 Red Willow

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 : 28
 Total Sales Price : 4,174,500
 Total Adj. Sales Price : 4,173,000
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MEDIAN : 98
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 COD : 23.99
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COV : 34.59
 STD : 34.26
 Avg. Abs. Dev : 23.53
 MAX Sales Ratio : 178.26
 MIN Sales Ratio : 34.74

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 95% Wgt. Mean C.I. : 84.64 to 106.32
 95% Mean C.I. : 85.76 to 112.34

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PROPERTY TYPE *

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|------------|-------|--------|-------|----------|-------|--------|-------|--------|-----------------|----------------------|----------------|
| 02 | | | | | | | | | | | |
| 03 | 28 | 98.08 | 99.05 | 95.48 | 23.99 | 103.74 | 34.74 | 178.26 | 89.71 to 101.82 | 149,036 | 142,303 |
| 04 | | | | | | | | | | | |
| <u>ALL</u> | 28 | 98.08 | 99.05 | 95.48 | 23.99 | 103.74 | 34.74 | 178.26 | 89.71 to 101.82 | 149,036 | 142,303 |

SALE PRICE *

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|----------------------------|-------|--------|--------|----------|-------|--------|--------|--------|-----------------|----------------------|----------------|
| <u>Low \$ Ranges</u> | | | | | | | | | | | |
| Less Than 5,000 | | | | | | | | | | | |
| Less Than 15,000 | 3 | 113.10 | 127.79 | 124.12 | 25.42 | 102.96 | 92.00 | 178.26 | N/A | 6,667 | 8,274 |
| Less Than 30,000 | 7 | 101.82 | 109.65 | 103.16 | 30.84 | 106.29 | 34.74 | 178.26 | 34.74 to 178.26 | 15,071 | 15,548 |
| <u>Ranges Excl. Low \$</u> | | | | | | | | | | | |
| Greater Than 4,999 | 28 | 98.08 | 99.05 | 95.48 | 23.99 | 103.74 | 34.74 | 178.26 | 89.71 to 101.82 | 149,036 | 142,303 |
| Greater Than 14,999 | 25 | 97.64 | 95.60 | 95.34 | 22.83 | 100.27 | 34.74 | 164.71 | 79.90 to 100.10 | 166,120 | 158,386 |
| Greater Than 29,999 | 21 | 97.64 | 95.51 | 95.28 | 21.21 | 100.24 | 54.55 | 164.71 | 70.07 to 100.10 | 193,690 | 184,554 |
| <u>Incremental Ranges</u> | | | | | | | | | | | |
| 0 TO 4,999 | | | | | | | | | | | |
| 5,000 TO 14,999 | 3 | 113.10 | 127.79 | 124.12 | 25.42 | 102.96 | 92.00 | 178.26 | N/A | 6,667 | 8,274 |
| 15,000 TO 29,999 | 4 | 99.03 | 96.05 | 98.26 | 30.87 | 97.75 | 34.74 | 151.42 | N/A | 21,375 | 21,004 |
| 30,000 TO 59,999 | 4 | 118.88 | 113.51 | 108.49 | 30.44 | 104.63 | 54.55 | 161.73 | N/A | 41,250 | 44,753 |
| 60,000 TO 99,999 | 6 | 98.08 | 93.24 | 94.24 | 05.88 | 98.94 | 70.07 | 100.00 | 70.07 to 100.00 | 78,417 | 73,903 |
| 100,000 TO 149,999 | 5 | 62.83 | 74.19 | 74.20 | 20.74 | 99.99 | 59.09 | 106.73 | N/A | 118,900 | 88,223 |
| 150,000 TO 249,999 | 3 | 99.18 | 119.27 | 118.21 | 23.80 | 100.90 | 93.91 | 164.71 | N/A | 179,167 | 211,800 |
| 250,000 TO 499,999 | 1 | 69.44 | 69.44 | 69.44 | 00.00 | 100.00 | 69.44 | 69.44 | N/A | 400,000 | 277,750 |
| 500,000 TO 999,999 | 1 | 89.71 | 89.71 | 89.71 | 00.00 | 100.00 | 89.71 | 89.71 | N/A | 575,000 | 515,847 |
| 1,000,000 + | 1 | 104.39 | 104.39 | 104.39 | 00.00 | 100.00 | 104.39 | 104.39 | N/A | 1,325,000 | 1,383,107 |
| <u>ALL</u> | 28 | 98.08 | 99.05 | 95.48 | 23.99 | 103.74 | 34.74 | 178.26 | 89.71 to 101.82 | 149,036 | 142,303 |

73 Red Willow

COMMERCIAL

PAD 2012 R&O Statistics (Using 2012 Values)

Qualified

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 95% Wgt. Mean C.I. : 84.64 to 106.32
 95% Mean C.I. : 85.76 to 112.34

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OCCUPANCY CODE

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|------------|-----------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|------------------------|----------------------|----------------|
| Blank | 1 | 69.44 | 69.44 | 69.44 | 00.00 | 100.00 | 69.44 | 69.44 | N/A | 400,000 | 277,750 |
| 302 | 1 | 97.64 | 97.64 | 97.64 | 00.00 | 100.00 | 97.64 | 97.64 | N/A | 60,000 | 58,583 |
| 326 | 1 | 101.82 | 101.82 | 101.82 | 00.00 | 100.00 | 101.82 | 101.82 | N/A | 25,000 | 25,454 |
| 343 | 1 | 104.39 | 104.39 | 104.39 | 00.00 | 100.00 | 104.39 | 104.39 | N/A | 1,325,000 | 1,383,107 |
| 344 | 5 | 79.90 | 93.22 | 98.38 | 35.86 | 94.76 | 59.09 | 164.71 | N/A | 123,400 | 121,398 |
| 349 | 1 | 70.07 | 70.07 | 70.07 | 00.00 | 100.00 | 70.07 | 70.07 | N/A | 62,500 | 43,792 |
| 353 | 5 | 96.23 | 91.12 | 89.40 | 11.29 | 101.92 | 62.83 | 106.73 | N/A | 176,300 | 157,616 |
| 386 | 2 | 74.23 | 74.23 | 85.91 | 26.51 | 86.40 | 54.55 | 93.91 | N/A | 108,250 | 93,000 |
| 406 | 6 | 125.38 | 127.86 | 116.12 | 22.27 | 110.11 | 92.00 | 178.26 | 92.00 to 178.26 | 26,667 | 30,966 |
| 442 | 1 | 34.74 | 34.74 | 34.74 | 00.00 | 100.00 | 34.74 | 34.74 | N/A | 16,500 | 5,732 |
| 528 | 4 | 98.85 | 114.49 | 103.47 | 16.16 | 110.65 | 98.52 | 161.73 | N/A | 102,250 | 105,800 |
| <u>ALL</u> | <u>28</u> | <u>98.08</u> | <u>99.05</u> | <u>95.48</u> | <u>23.99</u> | <u>103.74</u> | <u>34.74</u> | <u>178.26</u> | <u>89.71 to 101.82</u> | <u>149,036</u> | <u>142,303</u> |

2012 Correlation Section for Red Willow County

A. Commercial Real Property

Approximately 86% of the commercial valuation base lies within McCook. McCook is a City of approximately 8,000 residents. It is the only valuation grouping with active businesses where several counties support Wal-Mart, fast food industry, and small down town retail stores. The small Villages that are in the rural areas of Red Willow County do not have the commercial base other than grain elevators and a local Co-op for services that agricultural producers rely on for the farming communities. McCook does support the Community College and Class B High School by the available commercial services. The City has the major hospital for southwest Nebraska and two retirement living facilities.

In review of the sales with the three year study period, 21 of the 28 sales are located within McCook. The other 7 sales are scattered throughout the small rural villages where no apparent organized commercial market exists. Within the 21 sold properties, there are 4 storage warehouses, 4 retail buildings, 5 office buildings, and 4 service repair garages, 1 mobile home park that included 7 mobile homes, 1 motel, 1 fast food business and 1 mini warehouse. A mixture of occupancy codes of 21 sales only represents approximately 3.5% of the commercial base.

The qualified improved commercial sample includes a total of 28 sales. This is typical of the population and fairly representable of the commercial base within Red Willow County. 7 sales are spread out between three small villages and one in the suburban area. The three measures of central tendency are all within the acceptable IAAO ranges. Although the county COD is 23.99, the COD for the sales within McCook is 20.16. The price-related differential is slightly over acceptable parameters by less than one point.

Although the sales data is limited, the assessor continues to complete review work and conducts sales questionnaires to all property types. The assessor contracts with Knocke Appraisal Service to conduct commercial appraisal work. Historically Red Willow County has not experienced much growth valuation in the commercial property class, although in 2012 the growth is attributed to new construction on a grain elevator. The County remains to have more substantial valuation in the residential and agricultural classes.

Based on all available information, the level of value for commercial property in Red Willow County is 98% and it is believed that the assessments are uniform and proportionate due to the known assessment practices of the assessor.

**2012 Correlation Section
for Red Willow County**

B. Analysis of Sales Verification

Neb. Rev. Stat. § 77-1327(2) (2011) provides that all sales are deemed to be arms length transactions unless determined to be otherwise under professionally accepted mass appraisal techniques. The county assessor is responsible for the qualification of the sales included in the state sales file.

The Standard on Ratio Studies, International Association of Assessing Officials (2010), indicates that excessive trimming (the arbitrary exclusion or adjustment of arms length transactions) may indicate an attempt to inappropriately exclude arms length transactions to create the appearance of a higher level of value and quality of assessment. The sales file, in a case of excess trimming, will fail to properly represent the level of value and quality of assessment of the population of real property.

The Nebraska Department of Revenue, Property Assessment Division (Division) frequently reviews the procedures used by the county assessor to qualify sales to ensure bias does not exist in judgments made. Arms length transactions should only be excluded when they compromise the reliability of the resulting statistics. In cases where a county assessor has disqualified sales without substantiation, the Division may include such sales in the ratio study.

2012 Correlation Section for Red Willow County

C. Measures of Central Tendency

There are three measures of central tendency calculated by the Division: median ratio, weighted mean ratio, and mean ratio. Since each measure of central tendency has strengths and weaknesses, the use of any statistic for equalization should be reconciled with the other two, as in an appraisal, based on the appropriateness of the use of the statistic for a defined purpose, the quantity of the information from which it was drawn, and the reliability of the data that was used in its calculation. An examination of the three measures can serve to illustrate important trends in the data if the measures do not closely correlate to each other.

The International Association of Assessing Officers (IAAO) considers the median ratio the most appropriate statistical measure for use in determining level of value for direct equalization; the process of adjusting the values of classes or subclasses of property in response to the determination of level of value at a point above or below a particular range. Since the median ratio is considered neutral in relationship to either assessed value or selling price, its use in adjusting the class or subclass of properties will not change the relationships between assessed value and level of value already present within the class or subclass of properties, thus rendering an adjustment neutral in its impact on the relative tax burden to an individual property. Additionally, the median ratio is less influenced by the presence of extreme ratios, commonly called outliers. One outlier in a small sample size of sales can have controlling influence over the other measures of central tendency. The median ratio limits the distortion potential of an outlier.

The weighted mean ratio is viewed by the IAAO as the most appropriate statistical measure for indirect equalization. The weighted mean, because it is a value weighted ratio, best reflects a comparison of the assessed and market value of property in the political subdivision. If the distribution of aid to political subdivisions must relate to the market value available for assessment in the political subdivision, the measurement of central tendency used to analyze level of value should reflect the dollars of value available to be assessed. The weighted mean ratio does that more than either of the other measures of central tendency.

If the weighted mean ratio, because of its dollar-weighting feature, is significantly different from the median ratio, it may be an indication of other problems with assessment proportionality. When this occurs, an evaluation of the county's assessment practices and procedures is appropriate to discover remedies to the situation.

The mean ratio is used as a basis for other statistical calculations, such as the price related differential and coefficient of variation. However, the mean ratio has limited application in the analysis of level of value because it assumes a normal distribution of the data set around the mean ratio with each ratio having the same impact on the calculation regardless of the assessed value or the selling price.

2012 Correlation Section for Red Willow County

D. Analysis of Quality of Assessment

In analyzing the statistical data of assessment quality, there are two measures upon which assessment officials will primarily rely: the Coefficient of Dispersion (COD), and the Price Related Differential (PRD). Whether such statistics can be relied upon as meaningful for the population depends on whether the sample is representative.

The COD is commonly referred to as the index of assessment inequality. It is used to measure how closely the individual ratios are clustered around the median ratio and suggests the degree of uniformity or inaccuracy resulting in the assessments. The COD is computed by dividing the average deviation by the median ratio. For example, a COD of 20 means half of the ratios are 20 percent above or below the median. The closer the ratios are grouped around the median, the more equitable the assessment of property tends to be. Conversely, if the dispersion is quite large, there is a large spread in the ratios typically indicating a large spread around the median in the assessment of property, which results in an inequity in assessment and taxes. There is no range of acceptability stated in the Nebraska statutes for the COD measure. The IAAO recommended ratio study performance standards are as follows:

Single-family residences: a COD of 15 percent or less.

For newer and fairly homogeneous areas: a COD of 10 or less.

Income-producing property: a COD of 20 or less, or in larger urban jurisdictions, 15 or less.

Vacant land and other unimproved property, such as agricultural land: a COD of 20 or less.

Rural residential and seasonal properties: a COD of 20 or less.

Mass Appraisal of Real Property, International Association of Assessing Officers, (1999), p. 246.

In unusually homogeneous types of property low CODs can be anticipated; however, in all other cases CODs less than 5 percent may be indicative of non-representative samples or the selective reappraisal of sold parcels.

The PRD, also known as the index of regression, is a measurement of the relationship between the ratios of high-value and low-value properties to determine if the value of property has any influence on the assessment ratio. It is calculated by dividing the arithmetic mean ratio by the weighted mean ratio. The PRD provides an indicator of the degree to which high-value properties are over-assessed or under-assessed in relation to low-value properties. A PRD of 100 indicates there is no bias in the assessment of high-value properties in comparison to low-value properties. A PRD greater than 100 indicates the assessments are regressive, which means low-value properties tend to have a higher assessment ratio than high-value properties. The result is the owner of a low-value property pays a greater amount of tax in relation to value than the owner of a high-value property. Conversely, a PRD less than 100 indicates that high-value properties are over assessed in relation to low-value properties.

There is no range of acceptability stated in the Nebraska statutes for the PRD measure. The Standard on Ratio Studies, adopted by the International Association of Assessing Officers, January, 2010, recommends that the PRD should lie between 98 and 103. This range is

**2012 Correlation Section
for Red Willow County**

centered slightly above 100 to allow for a slightly upward measurement bias inherent in the PRD.

The PRD is calculated based on the selling price/assessed value in the sales file. This measure can be misleading if the dollar value of the records in the sales file is not proportionate to the dollar value of records in the population.

Mass Appraisal of Real Property, International Association of Assessing Officers, (1999), p. 239.

2012 Agricultural Assessment Actions for Red Willow County

Agricultural land values took dramatic increases to all sub-classifications to equalize market values between 69-75% for 2012. The irrigated land classifications took the largest increases which averaged 41.5%; dry land increased on an average of 4.6% and grass 25%. For example 1A1 in 2011 was valued at \$1215 and in 2012 the value is \$1750. 4D Dry land increased from \$335 to \$410 per acre whereas all grass classifications increased from \$280 to \$350 per acre.

2012 Agricultural Assessment Survey for Red Willow County

| | | |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Valuation data collection done by: | |
| | The assessor and staff | |
| 2. | List each market area, and describe the location and the specific characteristics that make each unique. | |
| | Market Area | Description of unique characteristics |
| | 01 | There are no apparent characteristic differences throughout the county. Red Willow County consists of a mixture of dry, irrigated and grass. There are limited parcels or sales of a majority of a certain land class. Several parcels include unfenced grass and no stock wells. The water issues with Kansas have created uncertainty with the income potential with irrigated land. The assessor continually gathers information to determine the effect on the value due to the occupation tax and rapid response region that has been designated in the County. |
| 3. | Describe the process that is used to determine and monitor market areas. | |
| | Spreadsheets and maps are developed to monitor sales of each land class in all geo codes to recognize any evidence to support more than one market area. | |
| 4. | Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land. | |
| | The study of the most recent sales determined the classification for a residential site. The information gathered was the price per acre, the typical number of desirable acres per site, and the location of the sites to determine the market areas. Based on the information gathered; 20 acres or less are valued as a site unless GIS mapping, a physical inspection or evidence is provided to show that the land is actively devoted to agricultural. Sales are monitored for any future recreational use. | |
| 5. | Do farm home sites carry the same value as rural residential home sites or are market differences recognized? If differences, what are the recognized market differences? | |
| | Farm homes carry the same value as residential home sites. | |
| 6. | What process is used to annually update land use? (Physical inspection, FSA maps, etc.) | |
| | The County requested permission from new land owners to receive a new FSA map along with the questionnaires that are mailed out. Updated GIS overlays with the current records and contacts with the owners regarding the land use. | |
| 7. | Describe the process used to identify and monitor the influence of non-agricultural characteristics. | |
| | Spreadsheets and maps are developed for all sales which includes agricultural and possible recreational land. | |
| 8. | Have special valuation applications been filed in the county? If yes, is there a value difference for the special valuation parcels. | |
| | No | |
| 9. | How do you determine whether a sold parcel is substantially changed? | |
| | If the improvement adds more than a minimal value the classification would be | |

| |
|---------------------------------------------------|
| substantially changed. (example: land use change) |
|---------------------------------------------------|

73 Red Willow
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 : 54
Total Sales Price : 12,581,276
Total Adj. Sales Price : 12,700,488
Total Assessed Value : 8,671,939
Avg. Adj. Sales Price : 235,194
Avg. Assessed Value : 160,591

MEDIAN : 70
WGT. MEAN : 68
MEAN : 72
COD : 19.85
PRD : 104.82

COV : 24.84
STD : 17.78
Avg. Abs. Dev : 13.92
MAX Sales Ratio : 120.83
MIN Sales Ratio : 32.60

95% Median C.I. : 64.92 to 78.01
95% Wgt. Mean C.I. : 63.12 to 73.44
95% Mean C.I. : 66.83 to 76.31

Printed:3/29/2012 3:32:15PM

| DATE OF SALE * | | | | | | | | | | Avg. Adj. | Avg. |
|------------------------|-------|--------|-------|----------|-------|--------|-------|--------|-----------------|------------|-----------|
| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Sale Price | Assd. Val |
| <u>Qtrts</u> | | | | | | | | | | | |
| 01-JUL-08 To 30-SEP-08 | 2 | 75.05 | 75.05 | 77.99 | 26.25 | 96.23 | 55.35 | 94.74 | N/A | 174,000 | 135,699 |
| 01-OCT-08 To 31-DEC-08 | 3 | 79.28 | 71.18 | 64.55 | 10.51 | 110.27 | 54.64 | 79.63 | N/A | 351,500 | 226,883 |
| 01-JAN-09 To 31-MAR-09 | 5 | 81.71 | 81.93 | 76.32 | 17.17 | 107.35 | 56.38 | 105.77 | N/A | 179,546 | 137,033 |
| 01-APR-09 To 30-JUN-09 | 10 | 65.91 | 70.82 | 72.01 | 15.78 | 98.35 | 55.67 | 95.49 | 57.95 to 91.36 | 313,150 | 225,494 |
| 01-JUL-09 To 30-SEP-09 | 1 | 86.01 | 86.01 | 86.01 | 00.00 | 100.00 | 86.01 | 86.01 | N/A | 360,000 | 309,645 |
| 01-OCT-09 To 31-DEC-09 | 5 | 69.04 | 69.60 | 63.73 | 10.20 | 109.21 | 53.30 | 87.59 | N/A | 284,400 | 181,256 |
| 01-JAN-10 To 31-MAR-10 | 3 | 76.30 | 75.71 | 78.75 | 11.01 | 96.14 | 62.82 | 88.01 | N/A | 149,400 | 117,655 |
| 01-APR-10 To 30-JUN-10 | 7 | 78.01 | 86.55 | 76.72 | 17.14 | 112.81 | 70.77 | 120.83 | 70.77 to 120.83 | 165,429 | 126,917 |
| 01-JUL-10 To 30-SEP-10 | 2 | 79.09 | 79.09 | 80.67 | 12.39 | 98.04 | 69.29 | 88.88 | N/A | 89,500 | 72,203 |
| 01-OCT-10 To 31-DEC-10 | 4 | 46.12 | 47.44 | 47.31 | 21.75 | 100.27 | 32.60 | 64.92 | N/A | 248,750 | 117,674 |
| 01-JAN-11 To 31-MAR-11 | 7 | 67.60 | 69.50 | 64.62 | 16.15 | 107.55 | 52.53 | 87.76 | 52.53 to 87.76 | 209,236 | 135,215 |
| 01-APR-11 To 30-JUN-11 | 5 | 53.91 | 56.36 | 61.27 | 22.74 | 91.99 | 32.73 | 80.87 | N/A | 248,382 | 152,176 |
| <u>Study Yrs</u> | | | | | | | | | | | |
| 01-JUL-08 To 30-JUN-09 | 20 | 73.64 | 74.07 | 71.66 | 18.17 | 103.36 | 54.64 | 105.77 | 60.46 to 81.71 | 271,586 | 194,607 |
| 01-JUL-09 To 30-JUN-10 | 16 | 74.89 | 79.19 | 72.53 | 15.54 | 109.18 | 53.30 | 120.83 | 69.04 to 87.59 | 211,763 | 153,582 |
| 01-JUL-10 To 30-JUN-11 | 18 | 62.04 | 62.01 | 59.85 | 22.36 | 103.61 | 32.60 | 88.88 | 50.56 to 77.07 | 215,587 | 129,027 |
| <u>Calendar Yrs</u> | | | | | | | | | | | |
| 01-JAN-09 To 31-DEC-09 | 21 | 69.50 | 73.90 | 71.52 | 17.24 | 103.33 | 53.30 | 105.77 | 62.20 to 86.01 | 276,725 | 197,906 |
| 01-JAN-10 To 31-DEC-10 | 16 | 73.19 | 73.81 | 66.78 | 21.34 | 110.53 | 32.60 | 120.83 | 62.82 to 88.01 | 173,763 | 116,030 |
| <u>ALL</u> | 54 | 70.14 | 71.57 | 68.28 | 19.85 | 104.82 | 32.60 | 120.83 | 64.92 to 78.01 | 235,194 | 160,591 |

| AREA (MARKET) | | | | | | | | | | Avg. Adj. | Avg. |
|---------------|-------|--------|-------|----------|-------|--------|-------|--------|-----------------|------------|-----------|
| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Sale Price | Assd. Val |
| 1 | 54 | 70.14 | 71.57 | 68.28 | 19.85 | 104.82 | 32.60 | 120.83 | 64.92 to 78.01 | 235,194 | 160,591 |
| <u>ALL</u> | 54 | 70.14 | 71.57 | 68.28 | 19.85 | 104.82 | 32.60 | 120.83 | 64.92 to 78.01 | 235,194 | 160,591 |

73 Red Willow
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 : 54
Total Sales Price : 12,581,276
Total Adj. Sales Price : 12,700,488
Total Assessed Value : 8,671,939
Avg. Adj. Sales Price : 235,194
Avg. Assessed Value : 160,591

MEDIAN : 70
WGT. MEAN : 68
MEAN : 72
COD : 19.85
PRD : 104.82

COV : 24.84
STD : 17.78
Avg. Abs. Dev : 13.92
MAX Sales Ratio : 120.83
MIN Sales Ratio : 32.60

95% Median C.I. : 64.92 to 78.01
95% Wgt. Mean C.I. : 63.12 to 73.44
95% Mean C.I. : 66.83 to 76.31

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95%MLU By Market Area

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|------------------|-----------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|-----------------------|----------------------|----------------|
| Irrigated | | | | | | | | | | | |
| County | 4 | 77.54 | 79.53 | 62.42 | 34.27 | 127.41 | 42.22 | 120.83 | N/A | 230,425 | 143,839 |
| 1 | 4 | 77.54 | 79.53 | 62.42 | 34.27 | 127.41 | 42.22 | 120.83 | N/A | 230,425 | 143,839 |
| Dry | | | | | | | | | | | |
| County | 3 | 77.07 | 68.69 | 65.61 | 12.05 | 104.69 | 50.56 | 78.43 | N/A | 140,233 | 92,009 |
| 1 | 3 | 77.07 | 68.69 | 65.61 | 12.05 | 104.69 | 50.56 | 78.43 | N/A | 140,233 | 92,009 |
| Grass | | | | | | | | | | | |
| County | 6 | 67.11 | 69.59 | 66.71 | 15.38 | 104.32 | 52.53 | 87.59 | 52.53 to 87.59 | 190,408 | 127,025 |
| 1 | 6 | 67.11 | 69.59 | 66.71 | 15.38 | 104.32 | 52.53 | 87.59 | 52.53 to 87.59 | 190,408 | 127,025 |
| ALL | 54 | 70.14 | 71.57 | 68.28 | 19.85 | 104.82 | 32.60 | 120.83 | 64.92 to 78.01 | 235,194 | 160,591 |

80%MLU By Market Area

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|------------------|-----------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|-----------------------|----------------------|----------------|
| Irrigated | | | | | | | | | | | |
| County | 7 | 69.04 | 72.81 | 63.87 | 26.64 | 114.00 | 42.22 | 120.83 | 42.22 to 120.83 | 261,964 | 167,311 |
| 1 | 7 | 69.04 | 72.81 | 63.87 | 26.64 | 114.00 | 42.22 | 120.83 | 42.22 to 120.83 | 261,964 | 167,311 |
| Dry | | | | | | | | | | | |
| County | 11 | 74.78 | 73.71 | 69.09 | 13.91 | 106.69 | 50.56 | 108.68 | 56.38 to 81.71 | 171,427 | 118,443 |
| 1 | 11 | 74.78 | 73.71 | 69.09 | 13.91 | 106.69 | 50.56 | 108.68 | 56.38 to 81.71 | 171,427 | 118,443 |
| Grass | | | | | | | | | | | |
| County | 7 | 69.29 | 72.19 | 68.97 | 16.57 | 104.67 | 52.53 | 87.76 | 52.53 to 87.76 | 182,778 | 126,054 |
| 1 | 7 | 69.29 | 72.19 | 68.97 | 16.57 | 104.67 | 52.53 | 87.76 | 52.53 to 87.76 | 182,778 | 126,054 |
| ALL | 54 | 70.14 | 71.57 | 68.28 | 19.85 | 104.82 | 32.60 | 120.83 | 64.92 to 78.01 | 235,194 | 160,591 |

Red Willow County 2012 Average LCG Value Comparison

| | County | Mkt Area | 1A1 | 1A | 2A1 | 2A | 3A1 | 3A | 4A1 | 4A | AVG IRR |
|-------|------------|----------|-------|-------|-------|-------|-------|-------|-------|-------|---------|
| 73.10 | Red Willow | 1 | 1,750 | 1,575 | 1,390 | 1,262 | 1,139 | 1,002 | 888 | 758 | 1,489 |
| 32.10 | Frontier | 1 | 1,300 | 1,299 | 1,218 | 1,246 | 1,200 | 1,200 | 1,148 | 1,121 | 1,273 |
| 33.10 | Furnas | 1 | 2,440 | 2,105 | 1,830 | 1,740 | 1,325 | 1,230 | 1,040 | 855 | 1,884 |
| 44.90 | Hitchcock | 100 | 1,600 | 1,600 | 1,450 | 1,450 | 1,300 | 1,300 | 1,200 | 1,200 | 1,494 |
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| | County | Mkt Area | 1D1 | 1D | 2D1 | 2D | 3D1 | 3D | 4D1 | 4D | AVG DRY |
|--|------------|----------|-----|-----|-----|-----|-----|-----|-----|-----|---------|
| | Red Willow | 1 | 760 | 760 | 625 | 575 | 540 | 465 | 425 | 410 | 691 |
| | Frontier | 1 | 790 | 790 | 740 | 740 | 690 | 690 | 640 | 640 | 760 |
| | Furnas | 1 | 915 | 900 | 775 | 700 | 670 | 580 | 550 | 500 | 795 |
| | Hitchcock | 100 | 735 | 735 | 600 | 600 | 475 | 475 | 410 | 410 | 637 |
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| | County | Mkt Area | 1G1 | 1G | 2G1 | 2G | 3G1 | 3G | 4G1 | 4G | AVG GRASS |
|--|------------|----------|-----|-----|-----|-----|-----|-----|-----|-----|-----------|
| | Red Willow | 1 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 |
| | Frontier | 1 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 | 350 |
| | Furnas | 1 | 600 | 595 | 565 | 460 | 415 | 405 | 385 | 380 | 403 |
| | Hitchcock | 100 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 | 310 |
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*Land capability grouping averages calculated using data reported on the 2012 Form 45, Abstract of Assessment

2012 Correlation Section for Red Willow County

A. Agricultural Land

The total agricultural land value in Red Willow County attributes approximately 67% of the total value of all real property. The 2012 increased assessed values are the reflection of the market within this agricultural area. Market values have increased each year with a high demand for buyers. Historically the Republican River issues have been a consideration to irrigable land. The Middle Republican NRD regulates the water allocations and governs the occupational tax upon property owners. The total agricultural value in the whole county has increased 19.18% from 2011.

The base analysis included 49 qualified sales within Red Willow County. They arrayed by date of sale with 18 in the oldest study year, 16 in the middle and 15 in the newest. Although the number of sales is slightly declining, the proportionality of the time appears to be appropriate for analyzing. The sample was reviewed for majority land use representativeness. There were only a limited amount of 5 irrigated sales within the 80% majority land use category. Additional tests were necessary to determine reliability of the sample.

Comparable areas were reviewed with similar market influences with the neighboring counties of Hitchcock, Furnas and Frontier. Five additional sales were chosen at random to analyze with the Red Willow County sample. These included irrigated land uses between all three years. The final results come from 20 sales in the oldest year, 17 in each the middle and new study period. This created a reliable sample for measurement purposes of the level of value within Red Willow County.

The assessor set 2012 values with major increases to all property sub-classes for agricultural land. All irrigated land values increased 40%; dry increased from 4-22%; and all grass increased 25%. These new values equalized the class within 69-75% of market value. Two of the measures of central tendency are within the acceptable IAAO ranges. Only the weighted mean falls slightly below 69. The qualitative measurements reflect a COD of 19.85 and PRD of 104.82.

The final sample of 54 sales was determined to be reliable and proportionate for land use and time distribution for the measurement of agricultural property class. Based on the analyses performed and the known assessment actions taken by the assessor, it is determined the level of value is 70 for the agricultural real property class. It is also believed the assessments are uniform and proportionate for 2012.

**2012 Correlation Section
for Red Willow County**

B. Analysis of Sales Verification

Neb. Rev. Stat. § 77-1327(2) (2011) provides that all sales are deemed to be arms length transactions unless determined to be otherwise under professionally accepted mass appraisal techniques. The county assessor is responsible for the qualification of the sales included in the state sales file.

The Standard on Ratio Studies, International Association of Assessing Officials (2010), indicates that excessive trimming (the arbitrary exclusion or adjustment of arms length transactions) may indicate an attempt to inappropriately exclude arms length transactions to create the appearance of a higher level of value and quality of assessment. The sales file, in a case of excess trimming, will fail to properly represent the level of value and quality of assessment of the population of real property.

The Nebraska Department of Revenue, Property Assessment Division (Division) frequently reviews the procedures used by the county assessor to qualify sales to ensure bias does not exist in judgments made. Arms length transactions should only be excluded when they compromise the reliability of the resulting statistics. In cases where a county assessor has disqualified sales without substantiation, the Division may include such sales in the ratio study.

2012 Correlation Section for Red Willow County

C. Measures of Central Tendency

There are three measures of central tendency calculated by the Division: median ratio, weighted mean ratio, and mean ratio. Since each measure of central tendency has strengths and weaknesses, the use of any statistic for equalization should be reconciled with the other two, as in an appraisal, based on the appropriateness of the use of the statistic for a defined purpose, the quantity of the information from which it was drawn, and the reliability of the data that was used in its calculation. An examination of the three measures can serve to illustrate important trends in the data if the measures do not closely correlate to each other.

The International Association of Assessing Officers (IAAO) considers the median ratio the most appropriate statistical measure for use in determining level of value for direct equalization; the process of adjusting the values of classes or subclasses of property in response to the determination of level of value at a point above or below a particular range. Since the median ratio is considered neutral in relationship to either assessed value or selling price, its use in adjusting the class or subclass of properties will not change the relationships between assessed value and level of value already present within the class or subclass of properties, thus rendering an adjustment neutral in its impact on the relative tax burden to an individual property. Additionally, the median ratio is less influenced by the presence of extreme ratios, commonly called outliers. One outlier in a small sample size of sales can have controlling influence over the other measures of central tendency. The median ratio limits the distortion potential of an outlier.

The weighted mean ratio is viewed by the IAAO as the most appropriate statistical measure for indirect equalization. The weighted mean, because it is a value weighted ratio, best reflects a comparison of the assessed and market value of property in the political subdivision. If the distribution of aid to political subdivisions must relate to the market value available for assessment in the political subdivision, the measurement of central tendency used to analyze level of value should reflect the dollars of value available to be assessed. The weighted mean ratio does that more than either of the other measures of central tendency.

If the weighted mean ratio, because of its dollar-weighting feature, is significantly different from the median ratio, it may be an indication of other problems with assessment proportionality. When this occurs, an evaluation of the county's assessment practices and procedures is appropriate to discover remedies to the situation.

The mean ratio is used as a basis for other statistical calculations, such as the price related differential and coefficient of variation. However, the mean ratio has limited application in the analysis of level of value because it assumes a normal distribution of the data set around the mean ratio with each ratio having the same impact on the calculation regardless of the assessed value or the selling price.

2012 Correlation Section for Red Willow County

D. Analysis of Quality of Assessment

In analyzing the statistical data of assessment quality, there are two measures upon which assessment officials will primarily rely: the Coefficient of Dispersion (COD), and the Price Related Differential (PRD). Whether such statistics can be relied upon as meaningful for the population depends on whether the sample is representative.

The COD is commonly referred to as the index of assessment inequality. It is used to measure how closely the individual ratios are clustered around the median ratio and suggests the degree of uniformity or inaccuracy resulting in the assessments. The COD is computed by dividing the average deviation by the median ratio. For example, a COD of 20 means half of the ratios are 20 percent above or below the median. The closer the ratios are grouped around the median, the more equitable the assessment of property tends to be. Conversely, if the dispersion is quite large, there is a large spread in the ratios typically indicating a large spread around the median in the assessment of property, which results in an inequity in assessment and taxes. There is no range of acceptability stated in the Nebraska statutes for the COD measure. The IAAO recommended ratio study performance standards are as follows:

Single-family residences: a COD of 15 percent or less.

For newer and fairly homogeneous areas: a COD of 10 or less.

Income-producing property: a COD of 20 or less, or in larger urban jurisdictions, 15 or less.

Vacant land and other unimproved property, such as agricultural land: a COD of 20 or less.

Rural residential and seasonal properties: a COD of 20 or less.

Mass Appraisal of Real Property, International Association of Assessing Officers, (1999), p. 246.

In unusually homogeneous types of property low CODs can be anticipated; however, in all other cases CODs less than 5 percent may be indicative of non-representative samples or the selective reappraisal of sold parcels.

The PRD, also known as the index of regression, is a measurement of the relationship between the ratios of high-value and low-value properties to determine if the value of property has any influence on the assessment ratio. It is calculated by dividing the arithmetic mean ratio by the weighted mean ratio. The PRD provides an indicator of the degree to which high-value properties are over-assessed or under-assessed in relation to low-value properties. A PRD of 100 indicates there is no bias in the assessment of high-value properties in comparison to low-value properties. A PRD greater than 100 indicates the assessments are regressive, which means low-value properties tend to have a higher assessment ratio than high-value properties. The result is the owner of a low-value property pays a greater amount of tax in relation to value than the owner of a high-value property. Conversely, a PRD less than 100 indicates that high-value properties are over assessed in relation to low-value properties.

There is no range of acceptability stated in the Nebraska statutes for the PRD measure. The Standard on Ratio Studies, adopted by the International Association of Assessing Officers, January, 2010, recommends that the PRD should lie between 98 and 103. This range is

**2012 Correlation Section
for Red Willow County**

centered slightly above 100 to allow for a slightly upward measurement bias inherent in the PRD.

The PRD is calculated based on the selling price/assessed value in the sales file. This measure can be misleading if the dollar value of the records in the sales file is not proportionate to the dollar value of records in the population.

Mass Appraisal of Real Property, International Association of Assessing Officers, (1999), p. 239.

| | | | | |
|------------------------------------------------------|------------------------|----------------------------|-------------------------|-----------------------------------|
| Total Real Property Sum Lines 17, 25, & 30 | Records : 8,192 | Value : 752,867,043 | Growth 9,611,376 | Sum Lines 17, 25, & 41 |
|------------------------------------------------------|------------------------|----------------------------|-------------------------|-----------------------------------|

Schedule I : Non-Agricultural Records

| | Urban | | SubUrban | | Rural | | Total | | Growth |
|---------------------------------|---------|-------------|----------|------------|---------|------------|---------|-------------|-----------|
| | Records | Value | Records | Value | Records | Value | Records | Value | |
| 01. Res UnImp Land | 454 | 1,822,981 | 107 | 780,332 | 73 | 228,944 | 634 | 2,832,257 | |
| 02. Res Improve Land | 3,486 | 19,619,173 | 262 | 2,524,565 | 296 | 2,685,608 | 4,044 | 24,829,346 | |
| 03. Res Improvements | 3,615 | 197,946,490 | 279 | 27,569,426 | 321 | 22,616,734 | 4,215 | 248,132,650 | |
| 04. Res Total | 4,069 | 219,388,644 | 386 | 30,874,323 | 394 | 25,531,286 | 4,849 | 275,794,253 | 1,740,159 |
| % of Res Total | 83.91 | 79.55 | 7.96 | 11.19 | 8.13 | 9.26 | 59.19 | 36.63 | 18.11 |
| 05. Com UnImp Land | 128 | 1,592,780 | 10 | 237,282 | 1 | 6,245 | 139 | 1,836,307 | |
| 06. Com Improve Land | 502 | 10,923,154 | 29 | 434,244 | 11 | 531,009 | 542 | 11,888,407 | |
| 07. Com Improvements | 526 | 83,742,819 | 33 | 4,447,682 | 33 | 3,855,144 | 592 | 92,045,645 | |
| 08. Com Total | 654 | 96,258,753 | 43 | 5,119,208 | 34 | 4,392,398 | 731 | 105,770,359 | 6,784,018 |
| % of Com Total | 89.47 | 91.01 | 5.88 | 4.84 | 4.65 | 4.15 | 8.92 | 14.05 | 70.58 |
| 09. Ind UnImp Land | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 10. Ind Improve Land | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 11. Ind Improvements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 12. Ind Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| % of Ind Total | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 13. Rec UnImp Land | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 14. Rec Improve Land | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 15. Rec Improvements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 16. Rec Total | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| % of Rec Total | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Res & Rec Total | 4,069 | 219,388,644 | 386 | 30,874,323 | 394 | 25,531,286 | 4,849 | 275,794,253 | 1,740,159 |
| % of Res & Rec Total | 83.91 | 79.55 | 7.96 | 11.19 | 8.13 | 9.26 | 59.19 | 36.63 | 18.11 |
| Com & Ind Total | 654 | 96,258,753 | 43 | 5,119,208 | 34 | 4,392,398 | 731 | 105,770,359 | 6,784,018 |
| % of Com & Ind Total | 89.47 | 91.01 | 5.88 | 4.84 | 4.65 | 4.15 | 8.92 | 14.05 | 70.58 |
| 17. Taxable Total | 4,723 | 315,647,397 | 429 | 35,993,531 | 428 | 29,923,684 | 5,580 | 381,564,612 | 8,524,177 |
| % of Taxable Total | 84.64 | 82.72 | 7.69 | 9.43 | 7.67 | 7.84 | 68.12 | 50.68 | 88.69 |

Schedule II : Tax Increment Financing (TIF)

| | Urban | | | SubUrban | | |
|-------------------------|---------|------------|--------------|----------|----------------|------------------|
| | Records | Value Base | Value Excess | Records | Value Base | Value Excess |
| 18. Residential | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Commercial | 3 | 180,510 | 9,909,571 | 0 | 0 | 0 |
| 20. Industrial | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. Other | 0 | 0 | 0 | 0 | 0 | 0 |
| | Rural | | | Total | | |
| | Records | Value Base | Value Excess | Records | Value Base | Value Excess |
| 18. Residential | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Commercial | 0 | 0 | 0 | 3 | 180,510 | 9,909,571 |
| 20. Industrial | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. Other | 0 | 0 | 0 | 0 | 0 | 0 |
| 22. Total Sch II | | | | 3 | 180,510 | 9,909,571 |

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 | 51 | 49,109,010 | 51 | 49,109,010 | 0 |
| 24. Non-Producing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25. Total | 0 | 0 | 0 | 0 | 51 | 49,109,010 | 51 | 49,109,010 | 0 |

Schedule IV : Exempt Records : Non-Agricultural

| | Urban Records | SubUrban Records | Rural Records | Total Records |
|------------|---------------|------------------|---------------|---------------|
| 26. Exempt | 470 | 126 | 196 | 792 |

Schedule V : Agricultural Records

| | Urban | | SubUrban | | Rural | | Total | |
|----------------------|---------|---------|----------|------------|---------|-------------|--------------|--------------------|
| | Records | Value | Records | Value | Records | Value | Records | Value |
| 27. Ag-Vacant Land | 25 | 321,872 | 331 | 28,318,250 | 1,583 | 180,244,199 | 1,939 | 208,884,321 |
| 28. Ag-Improved Land | 2 | 71,147 | 156 | 18,173,278 | 428 | 61,759,459 | 586 | 80,003,884 |
| 29. Ag Improvements | 2 | 3,934 | 158 | 8,327,747 | 462 | 24,973,535 | 622 | 33,305,216 |
| 30. Ag Total | | | | | | | 2,561 | 322,193,421 |

Schedule VI : Agricultural Records :Non-Agricultural Detail

| | Urban | | | SubUrban | | | Growth |
|---------------------------|---------|----------|------------|--------------|-----------------|-------------------|------------------|
| | Records | Acres | Value | Records | Acres | Value | |
| 31. HomeSite UnImp Land | 0 | 0.00 | 0 | 1 | 1.00 | 7,000 | |
| 32. HomeSite Improv Land | 0 | 0.00 | 0 | 89 | 89.00 | 543,000 | |
| 33. HomeSite Improvements | 1 | 0.00 | 3,280 | 92 | 87.00 | 6,089,121 | |
| 34. HomeSite Total | | | | | | | |
| 35. FarmSite UnImp Land | 1 | 4.11 | 4,110 | 11 | 103.28 | 31,669 | |
| 36. FarmSite Improv Land | 1 | 1.00 | 1,000 | 134 | 636.31 | 493,953 | |
| 37. FarmSite Improvements | 1 | 0.00 | 654 | 136 | 0.00 | 2,238,626 | |
| 38. FarmSite Total | | | | | | | |
| 39. Road & Ditches | 0 | 4.56 | 0 | 0 | 988.95 | 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 | 10 | 10.00 | 54,000 | 11 | 11.00 | 61,000 | |
| 32. HomeSite Improv Land | 296 | 296.00 | 1,518,000 | 385 | 385.00 | 2,061,000 | |
| 33. HomeSite Improvements | 296 | 288.00 | 16,999,216 | 389 | 375.00 | 23,091,617 | 1,087,199 |
| 34. HomeSite Total | | | | 400 | 396.00 | 25,213,617 | |
| 35. FarmSite UnImp Land | 33 | 448.32 | 165,532 | 45 | 555.71 | 201,311 | |
| 36. FarmSite Improv Land | 373 | 1,396.34 | 1,384,778 | 508 | 2,033.65 | 1,879,731 | |
| 37. FarmSite Improvements | 432 | 0.00 | 7,974,319 | 569 | 0.00 | 10,213,599 | 0 |
| 38. FarmSite Total | | | | 614 | 2,589.36 | 12,294,641 | |
| 39. Road & Ditches | 0 | 5,877.96 | 0 | 0 | 6,871.47 | 0 | |
| 40. Other- Non Ag Use | 0 | 0.00 | 0 | 0 | 0.00 | 0 | |
| 41. Total Section VI | | | | 1,014 | 9,856.83 | 37,508,258 | 1,087,199 |

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

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

Schedule VIII : Agricultural Records : Special Value

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

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

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 1

| Irrigated | Acres | % of Acres* | Value | % of Value* | Average Assessed Value* |
|------------------------|------------|-------------|-------------|-------------|-------------------------|
| 45. 1A1 | 4,004.60 | 6.46% | 7,007,648 | 7.59% | 1,749.90 |
| 46. 1A | 43,668.93 | 70.39% | 68,777,481 | 74.46% | 1,574.98 |
| 47. 2A1 | 5,282.10 | 8.51% | 7,341,916 | 7.95% | 1,389.96 |
| 48. 2A | 2,375.19 | 3.83% | 2,996,639 | 3.24% | 1,261.64 |
| 49. 3A1 | 2,180.02 | 3.51% | 2,483,808 | 2.69% | 1,139.35 |
| 50. 3A | 218.71 | 0.35% | 219,098 | 0.24% | 1,001.77 |
| 51. 4A1 | 2,174.24 | 3.50% | 1,929,826 | 2.09% | 887.59 |
| 52. 4A | 2,132.55 | 3.44% | 1,616,764 | 1.75% | 758.14 |
| 53. Total | 62,036.34 | 100.00% | 92,373,180 | 100.00% | 1,489.02 |
| Dry | | | | | |
| 54. 1D1 | 1,233.90 | 0.69% | 937,767 | 0.75% | 760.00 |
| 55. 1D | 130,353.41 | 72.37% | 99,068,595 | 79.65% | 760.00 |
| 56. 2D1 | 4,560.84 | 2.53% | 2,850,554 | 2.29% | 625.01 |
| 57. 2D | 1,246.36 | 0.69% | 716,693 | 0.58% | 575.03 |
| 58. 3D1 | 23,883.73 | 13.26% | 12,897,214 | 10.37% | 540.00 |
| 59. 3D | 131.14 | 0.07% | 60,981 | 0.05% | 465.01 |
| 60. 4D1 | 12,187.95 | 6.77% | 5,180,100 | 4.16% | 425.02 |
| 61. 4D | 6,516.48 | 3.62% | 2,671,834 | 2.15% | 410.01 |
| 62. Total | 180,113.81 | 100.00% | 124,383,738 | 100.00% | 690.58 |
| Grass | | | | | |
| 63. 1G1 | 997.26 | 0.51% | 349,085 | 0.51% | 350.04 |
| 64. 1G | 20,611.93 | 10.62% | 7,215,102 | 10.63% | 350.04 |
| 65. 2G1 | 6,113.81 | 3.15% | 2,139,987 | 3.15% | 350.03 |
| 66. 2G | 3,737.74 | 1.93% | 1,308,336 | 1.93% | 350.03 |
| 67. 3G1 | 5,915.87 | 3.05% | 2,070,815 | 3.05% | 350.04 |
| 68. 3G | 298.56 | 0.15% | 104,507 | 0.15% | 350.04 |
| 69. 4G1 | 29,747.97 | 15.33% | 10,412,344 | 15.33% | 350.02 |
| 70. 4G | 126,587.05 | 65.25% | 44,306,188 | 65.25% | 350.01 |
| 71. Total | 194,010.19 | 100.00% | 67,906,364 | 100.00% | 350.01 |
| Irrigated Total | | | | | |
| | 62,036.34 | 14.19% | 92,373,180 | 32.45% | 1,489.02 |
| Dry Total | | | | | |
| | 180,113.81 | 41.21% | 124,383,738 | 43.69% | 690.58 |
| Grass Total | | | | | |
| | 194,010.19 | 44.39% | 67,906,364 | 23.85% | 350.01 |
| 72. Waste | 873.28 | 0.20% | 21,881 | 0.01% | 25.06 |
| 73. Other | 0.00 | 0.00% | 0 | 0.00% | 0.00 |
| 74. Exempt | 2.00 | 0.00% | 0 | 0.00% | 0.00 |
| 75. Market Area Total | 437,033.62 | 100.00% | 284,685,163 | 100.00% | 651.40 |

Schedule X : Agricultural Records :Ag Land Total

| | Urban | | SubUrban | | Rural | | Total | |
|----------------------|---------------|----------------|------------------|-------------------|-------------------|--------------------|-------------------|--------------------|
| | Acres | Value | Acres | Value | Acres | Value | Acres | Value |
| 76. Irrigated | 157.96 | 254,885 | 17,966.39 | 26,783,928 | 43,911.99 | 65,334,367 | 62,036.34 | 92,373,180 |
| 77. Dry Land | 137.10 | 95,223 | 16,948.85 | 11,453,225 | 163,027.86 | 112,835,290 | 180,113.81 | 124,383,738 |
| 78. Grass | 107.97 | 37,801 | 20,496.28 | 7,174,182 | 173,405.94 | 60,694,381 | 194,010.19 | 67,906,364 |
| 79. Waste | 0.00 | 0 | 182.40 | 4,571 | 690.88 | 17,310 | 873.28 | 21,881 |
| 80. Other | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| 81. Exempt | 0.00 | 0 | 0.00 | 0 | 2.00 | 0 | 2.00 | 0 |
| 82. Total | 403.03 | 387,909 | 55,593.92 | 45,415,906 | 381,036.67 | 238,881,348 | 437,033.62 | 284,685,163 |

| | Acres | % of Acres* | Value | % of Value* | Average Assessed Value* |
|------------------|-------------------|----------------|--------------------|----------------|-------------------------|
| Irrigated | 62,036.34 | 14.19% | 92,373,180 | 32.45% | 1,489.02 |
| Dry Land | 180,113.81 | 41.21% | 124,383,738 | 43.69% | 690.58 |
| Grass | 194,010.19 | 44.39% | 67,906,364 | 23.85% | 350.01 |
| Waste | 873.28 | 0.20% | 21,881 | 0.01% | 25.06 |
| Other | 0.00 | 0.00% | 0 | 0.00% | 0.00 |
| Exempt | 2.00 | 0.00% | 0 | 0.00% | 0.00 |
| Total | 437,033.62 | 100.00% | 284,685,163 | 100.00% | 651.40 |

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

73 Red Willow

| | 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 | 273,841,393 | 275,794,253 | 1,952,860 | 0.71% | 1,740,159 | 0.08% |
| 02. Recreational | 0 | 0 | 0 | | 0 | |
| 03. Ag-Homesite Land, Ag-Res Dwelling | 24,787,485 | 25,213,617 | 426,132 | 1.72% | 1,087,199 | -2.67% |
| 04. Total Residential (sum lines 1-3) | 298,628,878 | 301,007,870 | 2,378,992 | 0.80% | 2,827,358 | -0.15% |
| 05. Commercial | 99,102,027 | 105,770,359 | 6,668,332 | 6.73% | 6,784,018 | -0.12% |
| 06. Industrial | 0 | 0 | 0 | | 0 | |
| 07. Ag-Farmsite Land, Outbuildings | 11,921,443 | 12,294,641 | 373,198 | 3.13% | 0 | 3.13% |
| 08. Minerals | 35,709,850 | 49,109,010 | 13,399,160 | 37.52 | 0 | 37.52 |
| 09. Total Commercial (sum lines 5-8) | 146,733,320 | 167,174,010 | 20,440,690 | 13.93% | 6,784,018 | 9.31% |
| 10. Total Non-Agland Real Property | 445,362,198 | 468,181,880 | 22,819,682 | 5.12% | 9,611,376 | 2.97% |
| 11. Irrigated | 65,280,925 | 92,373,180 | 27,092,255 | 41.50% | | |
| 12. Dryland | 118,898,284 | 124,383,738 | 5,485,454 | 4.61% | | |
| 13. Grassland | 54,664,579 | 67,906,364 | 13,241,785 | 24.22% | | |
| 14. Wasteland | 22,008 | 21,881 | -127 | -0.58% | | |
| 15. Other Agland | 0 | 0 | 0 | | | |
| 16. Total Agricultural Land | 238,865,796 | 284,685,163 | 45,819,367 | 19.18% | | |
| 17. Total Value of all Real Property (Locally Assessed) | 684,227,994 | 752,867,043 | 68,639,049 | 10.03% | 9,611,376 | 8.63% |

AMENDED
2011 PLAN OF ASSESSMENT FOR RED WILLOW COUNTY
ASSESSMENT YEARS 2012, 2013 AND 2014
DATE: JUNE 15, 2011

Pursuant to Neb. Laws 2005, LB263, Section 9, on or before June 15 each year, the assessor shall prepare a plan of assessment which describes the assessment actions planned for the next assessment year and two years thereafter. On or before July 31 each year, the assessor shall present the plan to the county board of equalization and the assessor may amend the plan, if necessary, after the budget is approved by the county board. A copy of the plan and any amendments thereto shall be mailed to the Department of Property Assessment and Taxation on or before October 31 each year.

General Description of Real Property in Red Willow County:

| | <u>Parcels</u> | <u>% of Total Parcels</u> | <u>% of Taxable Value Base</u> |
|------------------|----------------|---------------------------|--------------------------------|
| Residential | 4,860 | 59.42% | 40.03% |
| Commercial | 724 | 08.85% | 14.52% |
| Agricultural | 2,549 | 31.17% | 40.24% |
| Mineral Interest | 46 | 00.56% | 05.21% |

Agricultural Land – taxable acres:

| | | |
|-----------|------------|--------|
| Irrigated | 62,422.34 | 14.28% |
| Dry | 178,598.19 | 40.86% |
| Grass | 195,230.15 | 44.66% |
| Waste | 878.36 | 00.20% |

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

Current Resources:

A. Staff/Budget/Training

The Red Willow County Assessor provides general supervision over the staff and directs the assessment of all property in Red Willow County. The assessor supervises all reappraisals in the county. Reviews of all properties that have sold are completed and a questionnaire is mailed to both buyer and seller. Other duties include managing the staff, preparing the budget, making decisions on the purchases and filing claims for payment of the expenses for the county assessor's office. The assessor also meets with the liaison on surveys and reports and completes all reports as required by the statutes in a timely manner. When a protest is filed the assessor views each property with the county board. All Tax Equalization and Review Commission hearings are prepared for and attended by the assessor and county attorney. Hiring new employees is handled by the assessor including interviews, setting the salary and preparing the job description for that employee. The state assessed values are verified and certified to the entities by the assessor. The assessor oversees the filing of the personal property schedules. She works

the schedules in the mail and corresponds with taxpayers requesting additional information.

The deputy assessor assists the assessor with personnel matters, including interviewing applicants for employment and helps with reviews for the sold properties. The deputy handles the valuation of all oil and gas properties in the county, processing the appraisals done by Pritchard & Abbott, preparing the personal property schedules for oil, and entering values in the computer. Spreadsheets are prepared in the computer for property sold listing all information about the sale for use in the sales studies. The homestead exemptions are prepared for mailing by the deputy, checking for sold property, deceased individuals and verifying that the information on the application is correct. The qualified sales roster is reviewed by the deputy checking all data entry and any changes in value because of appraisals or corrections. The deputy works with the assessor to prepare materials for TERC hearings and hearings are attended with the assessor. The deputy assists the assessor with all reports and assumes the duties in the absence of the assessor. Her job is to prepare spreadsheets for the agland properties and work with the county assessor on the ag what-if program in determining the agland values.

The assessor's clerk handles the real estate transfers including changing the record cards, computer records, and electronically files the sales information. Sales books are developed for assessor's office use and for the public's use which includes pictures, lot size, sales price and general data on the property. Split-outs are completed by the clerk which would include splitting the parcel on GIS and keeping all maps current. She is also responsible for mailing the questionnaires on the sold property. The clerk prepares leased land letters for the signatures of the land owner and improvement owner.

The assessor's clerk updates record cards and copies information to the current records. Her duties include updating the inventory report. The annual tax exempt applications are prepared by the clerk.

The data collector/clerk collects data for the appraisal work, gets measurements of new construction, takes pictures and gathers information on new construction as well as for reappraisals. The photos in our record cards are updated as we physically inspect the property.

The entire staff is trained to handle personal property schedules including reviewing the taxpayer's depreciation worksheets. They assist real estate agents, appraisers and customers requesting information from our office. The staff helps the public with completing their homestead exemption applications and income forms. They also do data entry on the Marshall-Swift costing. We work together to print and mail notice of valuation changes. Various staff members serve on personnel and safety committees that were set up by the county board.

The county assessor and deputy assessor hold an assessor's certificate with the State of Nebraska. The assessor and deputy attend the Assessor's workshops, IAAO courses, as well as district meetings to keep informed about new legislation and the latest information. The required hours of education are completed in order to retain the

assessor's certificate. Red Willow County has a procedure manual in place to guide the staff in the process of the pick-up work, reappraisals, real estate transfers, homestead exemptions and all major functions of the assessor's office. The manual describes and explains these operations in detail.

The 2011 budget for the Red Willow County Assessor's office is \$ 197,462.

B. Cadastral Maps

The Red Willow County Assessor's office has identified all ag parcels and land classifications on GIS. The new soil conversion was completed for 2009. The staff maintains and keeps the data current by updating the information from current surveys and transfers. Our city and village maps were made in 1967. We had maps drawn of the new subdivisions. The county surveyor assists us with any questions concerning surveys.

C. Property Record Cards

Property record cards in the assessor's office include owner's name and mailing address, the address of the property, legal description, classification codes, tax district codes and lot size. Property information including square foot and all physical components of the improvements, quality, condition, sketches and photos are included in the record card. All record cards are updated from information recorded with the county clerk, clerk of the district court and county court. The record cards are kept current due to the number of requests for information by the public. We now have a guest computer that is used by the public to access all information.

D. Software for CAMA, Assessment Administration, GIS

We are currently using Terra Scan software for our CAMA as well as our administrative package. We have a contract with GIS Workshop Inc. for our GIS software & website.

Current Assessment Procedures for Real Property

Real property in Red Willow County is divided into three groups: residential, commercial and agricultural. In Red Willow County reappraisals are usually done annually on a rotating basis. We continually study our statistics so we can also focus on the areas that are falling below the required level of value.

All improved properties are inspected at the time of a reappraisal. Current data is checked for accuracy, notes are made as to the condition and a photograph is taken of each improvement. Interior updates are verified with the owner if possible. Otherwise we leave a door hanger at each property asking them to contact our office. If additional information is needed to complete the pricing we follow up with a phone call. The interior of our commercial property was inspected in 2007 by the county assessor and data collector.

On new construction we make an inspection of the improvement, we measure and determine the quality of the improvement and collect all the data at the site. If the property is not entirely done upon inspection, a follow-up review takes place at the end of the year. The owner is then contacted by phone or letter to confirm the percent of completion. The Marshall-Swift table of completion is used to determine the percent finished.

The pickup work in Red Willow County is continuous. Building permits are provided by the McCook city office as well as the village of Indianola. The other villages have no offices so permits are not available. Information about new improvements is seldom reported. We complete the pickup work as time permits throughout the year and follow-up with a check of the partially completed improvements right before the end of the year.

Depreciation tables are developed by analyzing the sales in a neighborhood. We gather facts and create a spreadsheet with all the sales information. We have built the sales information in our Terra Scan system so we can study the statistics annually.

Red Willow County uses the income analysis on commercial property only. An outside appraisal company is hired to assist us with our commercial appraisals. Knoche Appraisal is hired on an hourly basis at the determination of the County Assessor. A market analysis is completed on a yearly basis.

Level of Value, Quality and Uniformity for assessment year 2011

| <u>Property Class</u> | <u>Median</u> | <u>COD*</u> | <u>PRD*</u> |
|-----------------------|---------------|-------------|-------------|
| Residential | 96.00 | 11.73 | 104.05 |
| Commercial | 99.00 | 13.47 | 98.44 |
| Agricultural | 69.00 | 18.22 | 108.11 |

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

All reports are completed and filed in a timely manner usually being completed by the assessor with the assistance of the deputy assessor. These reports include the abstract, the personal property abstract, the certification of values, the school district taxable value report, the tax roll and the certificate of taxes levied. There are also tax list corrections filed throughout the year. The Red Willow County Assessor's office prepares the real estate and personal property tax statements for the county treasurer.

The Red Willow County Assessor's office accepts homestead exemption applications from February 1st thru June 30th of each year. We refer to statute 77-3510 thru 77-3528 as a guideline when questions arise. We prepare the applications prior to mailing them out in February, checking for sold property, deceased individuals and making sure information on the application is complete and correct. We assist the applicants with the homestead application and income forms that are provided by the department. We file the applications with the Nebraska Department of Revenue by August 1st of each year.

Personal property schedules are to be filed with our office between January 1st and May 1st of each year. Personal property regulation 20 is used for assistance when questions arise. Schedules are mailed to each individual or company that filed the previous year. If they have not filed two weeks before the May 1st deadline we send a second reminder notice. We also notify all new business and property owners. Penalties on personal property are applied to late filings as the law permits. The personal property abstract is filed by June 15th.

Our real estate transfers are completed and sent to the Property Assessment Division. The assessor's clerk works the 521's, changes all the necessary records, electronically files the sales information and develops the sales books. A questionnaire is sent to both the buyer and seller for all classes of property. The sales are reviewed with a drive by inspection. At that time we are checking the quality, condition, neighborhood and other factors that may have affected the sale.

Assessment Actions Planned for Assessment Year 2012

Residential (and/or subclasses):

Statistics for all residential neighborhoods will be generated and sales information will be studied.

We will continue to complete our on-site inspections of rural dwellings and ag buildings in neighborhoods 8000 and 8510. Our office is gathering data for the cost and sales of ag buildings and rural dwellings. Based on the information collected new depreciation will be developed.

Other areas of concern in Red Willow County are mobile homes. A complete study of all mobile home sales will be completed in 2012. We will determine if a reappraisal is required at that time.

Commercial (and/or subclasses):

We continue to build spreadsheets by occupation codes of all commercial sales. We will be reviewing the statistics for each occupation code and address any problem areas. I plan to focus on the preparation for a commercial reappraisal. A study of land value, market areas and begin building new costing for tanks, bins and miscellaneous improvements.

Agricultural Land (and/or subclasses):

We will continue to update GIS using recorded surveys to assure the accuracy of our mapping system. Our ag parcels were compared to the 2009 GIS download in 2010. The GIS has now downloaded 2010 maps into our system. I plan to begin comparing our ag breakdown to the 2010 download as time allows. An on-site inspection will be completed or we will be contacting the property owners to request a certified map from the FSA if there are any discrepancies. A study of all land sales will be completed and values will be determined annually.

Assessment Actions Planned for Assessment Year 2013

Statistics for all residential neighborhoods will be generated and sales information will be studied. Based on the information gathered it will be determined if there are areas of concern.

For 2013 we will begin the physical inspections of all commercial properties.

Assessment Actions planned for Assessment Year 2014

I plan to begin the physical inspections of McCook residential and neighborhood 8500.

Detailed Breakdown of functions performed by the assessor's office, but not limited to:

1. Record maintenance, mapping updates and ownership changes
2. Annually prepare and file Assessor Administrative reports required by law/regulation:
 - a. Abstracts (Real & Personal Property)
 - b. Assessor survey
 - c. Sales information to PA&T rosters and annual Assessed Value Update w/Abstract
 - d. Certification of Value to Political Subdivisions
 - e. School District Taxable Value Report
 - f. Homestead Exemption Tax Loss Report (in conjunction with Treasurer)
 - g. Certificate of Taxes Levied Report
 - h. Report of current values for properties owned by Board of Education 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 929 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 450 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. Prepare tax statements for the county treasurer.
11. Tax List Corrections-prepare tax list correction documents for county board approval.
12. County Board of Equalization-attend county board of equalization meetings for valuation protests-assemble and provide information.
13. TERC Appeals-prepare information and attend taxpayer appeal hearings before TERC, defend valuation.
14. TERC Statewide Equalization-attend hearings if applicable to county, defend values, and/or implement orders of the TERC.
15. Education: Assessor and Deputy Assessor attend meetings, workshops and educational classes to obtain required hours of continuing education to maintain assessor certification.

Conclusion:

Our current budget includes a line item for reappraisals. This covers expenses for the oil and gas appraisal. I have also budgeted for Knoche Appraisal and Kris Randel Appraisal for guidance on commercial and residential reappraisals. This line item also includes expenses for fuel costs for sales reviews and on-site inspections for all appraisals.

Our budget also contains a line item for the geographical information system. This would include the annual costs for maintenance of GIS.

Respectfully submitted,

Sandra K. Kotschwar
Red Willow County Assessor

Date

2012 Assessment Survey for Red Willow County

A. Staffing and Funding Information

| | |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Deputy(ies) on staff: |
| | 1 |
| 2. | Appraiser(s) on staff: |
| | 0 |
| 3. | Other full-time employees: |
| | 3 |
| 4. | Other part-time employees: |
| | 0 |
| 5. | Number of shared employees: |
| | 0 |
| 6. | Assessor's requested budget for current fiscal year: |
| | \$197,462 |
| 7. | Adopted budget, or granted budget if different from above: |
| | |
| 8. | Amount of the total assessor's budget set aside for appraisal work: |
| | \$28,000 |
| 9. | If appraisal/reappraisal budget is a separate levied fund, what is that amount: |
| | |
| 10. | Part of the assessor's budget that is dedicated to the computer system: |
| | \$10,000 is dedicated to the GIS system. The County Treasurer and County Assessor share a computer budget out of the general fund for TerraScan programs and equipment. |
| 11. | Amount of the assessor's budget set aside for education/workshops: |
| | \$1,800 |
| 12. | Other miscellaneous funds: |
| | 0 |
| 13. | Amount of last year's assessor's budget not used: |
| | \$21,949.38 |

B. Computer, Automation Information and GIS

| | |
|----|---------------------------------------------------------------------------------------------------------------------|
| 1. | Administrative software: |
| | TerraScan |
| 2. | CAMA software: |
| | TerraScan |
| 3. | Are cadastral maps currently being used? |
| | Yes, Cadastral maps are utilized for the City of McCook and Villages/GIS is maintained for the agricultural parcels |
| 4. | If so, who maintains the Cadastral Maps? |
| | |

| | |
|----|-------------------------------------------------------------------------------|
| | Office Staff |
| 5. | Does the county have GIS software? |
| | Yes |
| 6. | Is GIS available on a website? If so, what is the name of the website? |
| | Yes; redwillow.gisworkshop.com (no mapping is available) |
| 7. | Who maintains the GIS software and maps? |
| | Office Staff |
| 8. | Personal Property software: |
| | TerraScan |

C. Zoning Information

| | |
|----|-----------------------------------------------------|
| 1. | Does the county have zoning? |
| | Yes |
| 2. | If so, is the zoning countywide? |
| | Yes, excluding Villages |
| 3. | What municipalities in the county are zoned? |
| | The City of McCook |
| 4. | When was zoning implemented? |
| | October 2001 |

D. Contracted Services

| | |
|----|--------------------------------------------------------------------------------------------------------------------------------|
| 1. | Appraisal Services: |
| | An appraiser is contracted on a as needed basis for real property. Pritchard & Abbott is contracted for the mineral appraisals |
| 2. | Other services: |
| | None |

2012 Certification for Red Willow County

This is to certify that the 2012 Reports and Opinions of the Property Tax Administrator have been sent to the following:

One copy by electronic transmission to the Tax Equalization and Review Commission.

One copy by electronic transmission to the Red Willow County Assessor.

Dated this 9th day of April, 2012.



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

Ruth A. Sorensen
Property Tax Administrator

