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2012 Commission Summary for Sherman County

Residential Real Property - Current

Number of Sales	65	Median	98.54
Total Sales Price	\$3,856,803	Mean	103.18
Total Adj. Sales Price	\$3,965,670	Wgt. Mean	94.76
Total Assessed Value	\$3,757,745	Average Assessed Value of the Base	\$43,199
Avg. Adj. Sales Price	\$61,010	Avg. Assessed Value	\$57,811

Confidence Interval - Current

95% Median C.I	92.53 to 101.94
95% Wgt. Mean C.I	89.83 to 99.68
95% Mean C.I	96.11 to 110.25
% of Value of the Class of all Real Property Value in the	16.15
% of Records Sold in the Study Period	4.01
% of Value Sold in the Study Period	5.37

Residential Real Property - History

Year	Number of Sales	LOV	Median
2011	60	97	97
2010	54	98	98
2009	74	98	98
2008	74	94	94

2012 Commission Summary for Sherman County

Commercial Real Property - Current

Number of Sales	8	Median	98.90
Total Sales Price	\$157,680	Mean	98.78
Total Adj. Sales Price	\$157,680	Wgt. Mean	89.72
Total Assessed Value	\$141,465	Average Assessed Value of the Base	\$42,694
Avg. Adj. Sales Price	\$19,710	Avg. Assessed Value	\$17,683

Confidence Interval - Current

95% Median C.I	49.05 to 158.90
95% Wgt. Mean C.I	61.50 to 117.93
95% Mean C.I	73.37 to 124.19
% of Value of the Class of all Real Property Value in the County	2.15
% of Records Sold in the Study Period	3.67
% of Value Sold in the Study Period	1.52

Commercial Real Property - History

Year	Number of Sales	LOV	Median
2011	10		95
2010	13	98	98
2009	9	100	95
2008	10	100	104

2012 Opinions of the Property Tax Administrator for Sherman 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	99	Meets generally accepted mass appraisal practices.	No recommendation.
Commercial Real Property	*NEI	Meets generally accepted mass appraisal practices.	No recommendation.
Agricultural Land	72	Meets generally accepted mass appraisal practices.	No recommendation.

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

Dated this 9th day of April, 2012.



Ruth A. Sorensen

Ruth A. Sorensen
Property Tax Administrator

2012 Residential Assessment Actions for Sherman County

The valuation groupings were reviewed for statistical compliance and the following adjustments were made:

Ashton (residential) had an onsite review/physical inspection with new pictures taken, measurements of new additions, decks and garages. The year built and effective age due to updating were put into place.

Hazard (residential) had an onsite review/physical inspection with new pictures taken, measurements of new additions, decks and garages. The year built and effective age due to updating were put into place.

Litchfield (residential) had an onsite review/physical inspection with new pictures taken, measurements of new additions, decks and garages. The year built and effective age due to updating were put into place.

Rockville (residential) had an onsite review/physical inspection with new pictures taken, measurements of new additions, decks and garages. The year built and effective age due to updating were put into place.

Sherman Lake was also physically inspected and reviewed for pickup work and sales.

Loup City and Acreages will be reviewed in 2013

All pickup work was reviewed and completed.

New pricing was implemented in the villages that were physically inspected.

New property record cards were completed.

2012 Residential Assessment Survey for Sherman County

1.	Valuation data collection done by:	
	Assessor and Deputy	
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>
	1	Loup City - Largest community, active retail/business, grain elevator, K-12 school, on highway, permits
	2	Ashton - Small community, retail/business, on highway, fuel station, post office, no school, permits
	3	Hazard - Bedroom community, no post office, no school, no fuel station, one tavern/restaurant, no retail/business, permits
	4	Litchfield - Second largest community, active retail/business, on highway, active railroad line, grain elevator, post office, K-12 school, pay-at-pump fuel station only, permits
	5	Rockville - Bedroom community, limited retail/business, permits, post office, no school, no fuel station
	10	Sherman Lake - Trail #12, residential/recreation homes on leased land
	15	Acreage - Rural residential parcel, permits required
3.	List and describe the approach(es) used to estimate the market value of residential properties.	
	Cost approach provided through the CAMA system and sales comparison where there are enough sales.	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	All towns and the lake are 2007 and acreages are 2002	
5.	If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor?	
	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?	
	They are reviewed annually	
8.	When was the last lot value study completed for each valuation grouping?	
	Litchfield 2008, Loup City 2009 and Sherman Lake 2010	
9.	Describe the methodology used to determine the residential lot values?	
	Square foot method	
10.	How do you determine whether a sold parcel is substantially changed?	
	On sight review, written verification to buyer & seller, each sale is reviewed and a determination is made, generally there must be a complete remodel, addition or removal of improvements.	

**82 Sherman
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 : 65
Total Sales Price : 3,856,803
Total Adj. Sales Price : 3,965,670
Total Assessed Value : 3,757,745
Avg. Adj. Sales Price : 61,010
Avg. Assessed Value : 57,811

MEDIAN : 99
WGT. MEAN : 95
MEAN : 103
COD : 19.36
PRD : 108.89

COV : 28.19
STD : 29.09
Avg. Abs. Dev : 19.08
MAX Sales Ratio : 208.79
MIN Sales Ratio : 51.01

95% Median C.I. : 92.53 to 101.94
95% Wgt. Mean C.I. : 89.83 to 99.68
95% Mean C.I. : 96.11 to 110.25

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DATE OF SALE *										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
<u>Qtrts</u>											
01-JUL-09 To 30-SEP-09	16	98.75	110.80	99.73	21.65	111.10	73.71	208.79	92.53 to 122.44	56,125	55,975
01-OCT-09 To 31-DEC-09	5	88.75	95.18	90.49	20.08	105.18	73.95	135.50	N/A	72,000	65,152
01-JAN-10 To 31-MAR-10	6	102.22	111.26	100.35	13.68	110.87	93.47	141.94	93.47 to 141.94	57,500	57,702
01-APR-10 To 30-JUN-10	11	96.92	97.17	92.32	19.24	105.25	57.44	150.22	75.16 to 116.50	43,027	39,724
01-JUL-10 To 30-SEP-10	5	96.82	111.56	97.82	21.57	114.05	85.93	183.98	N/A	68,440	66,951
01-OCT-10 To 31-DEC-10	12	97.38	100.58	94.23	19.67	106.74	51.01	175.61	84.19 to 110.22	76,450	72,043
01-JAN-11 To 31-MAR-11	5	103.28	110.35	103.99	14.21	106.12	91.41	143.49	N/A	38,154	39,678
01-APR-11 To 30-JUN-11	5	78.58	80.99	80.99	12.51	100.00	62.43	100.70	N/A	87,800	71,110
<u>Study Yrs</u>											
01-JUL-09 To 30-JUN-10	38	98.90	104.87	96.54	19.51	108.63	57.44	208.79	93.47 to 103.54	54,639	52,751
01-JUL-10 To 30-JUN-11	27	96.12	100.80	92.79	19.28	108.63	51.01	183.98	87.08 to 105.26	69,977	64,934
<u>Calendar Yrs</u>											
01-JAN-10 To 31-DEC-10	34	98.77	102.98	95.41	18.72	107.93	51.01	183.98	90.09 to 106.31	61,115	58,307
<u>ALL</u>	65	98.54	103.18	94.76	19.36	108.89	51.01	208.79	92.53 to 101.94	61,010	57,811

VALUATION GROUPING										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
01	31	99.53	108.36	100.27	20.37	108.07	73.71	208.79	92.53 to 106.31	47,738	47,864
02	8	98.83	93.82	82.07	18.61	114.32	57.44	128.85	57.44 to 128.85	29,413	24,140
03	2	98.66	98.66	98.44	00.30	100.22	98.36	98.96	N/A	20,150	19,835
04	6	94.51	99.64	94.10	18.55	105.89	75.16	135.50	75.16 to 135.50	27,000	25,408
05	1	84.19	84.19	84.19	00.00	100.00	84.19	84.19	N/A	85,000	71,560
10	7	98.27	96.42	96.93	09.14	99.47	78.58	110.22	78.58 to 110.22	131,814	127,771
15	10	91.91	104.25	88.68	29.39	117.56	51.01	183.98	73.95 to 175.61	104,050	92,276
<u>ALL</u>	65	98.54	103.18	94.76	19.36	108.89	51.01	208.79	92.53 to 101.94	61,010	57,811

PROPERTY TYPE *										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
01	58	98.62	103.99	94.10	20.57	110.51	51.01	208.79	92.53 to 102.61	52,465	49,368
06	7	98.27	96.42	96.93	09.14	99.47	78.58	110.22	78.58 to 110.22	131,814	127,771
07											
<u>ALL</u>	65	98.54	103.18	94.76	19.36	108.89	51.01	208.79	92.53 to 101.94	61,010	57,811

**82 Sherman
RESIDENTIAL**

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Qualified

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 Avg. Assessed Value : 57,811

MEDIAN : 99
 WGT. MEAN : 95
 MEAN : 103
 COD : 19.36
 PRD : 108.89

COV : 28.19
 STD : 29.09
 Avg. Abs. Dev : 19.08
 MAX Sales Ratio : 208.79
 MIN Sales Ratio : 51.01

95% Median C.I. : 92.53 to 101.94
 95% Wgt. Mean C.I. : 89.83 to 99.68
 95% Mean C.I. : 96.11 to 110.25

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SALE PRICE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
___ Low \$ Ranges ___												
Less Than 5,000												
Less Than 15,000	10	100.25	112.45	106.88	28.85	105.21	57.44	208.79	81.04 to 154.09	10,230	10,934	
Less Than 30,000	26	105.61	115.97	109.46	27.04	105.95	57.44	208.79	96.12 to 135.50	20,291	22,210	
___ Ranges Excl. Low \$ ___												
Greater Than 4,999	65	98.54	103.18	94.76	19.36	108.89	51.01	208.79	92.53 to 101.94	61,010	57,811	
Greater Than 14,999	55	98.36	101.49	94.44	17.56	107.47	51.01	183.98	91.41 to 102.61	70,243	66,335	
Greater Than 29,999	39	93.83	94.65	92.50	12.49	102.32	51.01	168.17	88.88 to 98.84	88,156	81,546	
___ Incremental Ranges ___												
0 TO 4,999												
5,000 TO 14,999	10	100.25	112.45	106.88	28.85	105.21	57.44	208.79	81.04 to 154.09	10,230	10,934	
15,000 TO 29,999	16	110.19	118.17	110.08	25.17	107.35	73.71	183.98	87.61 to 143.49	26,579	29,258	
30,000 TO 59,999	15	98.70	102.59	101.10	13.19	101.47	73.95	168.17	92.53 to 105.26	45,633	46,134	
60,000 TO 99,999	12	89.49	87.86	87.38	08.16	100.55	62.43	99.85	84.19 to 96.92	77,033	67,308	
100,000 TO 149,999	4	91.36	83.61	82.65	14.15	101.16	51.01	100.70	N/A	117,050	96,744	
150,000 TO 249,999	8	95.87	95.48	95.05	10.16	100.45	78.58	110.22	78.58 to 110.22	170,125	161,699	
250,000 TO 499,999												
500,000 TO 999,999												
1,000,000 +												
___ ALL ___	65	98.54	103.18	94.76	19.36	108.89	51.01	208.79	92.53 to 101.94	61,010	57,811	

**2012 Correlation Section
for Sherman County**

A. Residential Real Property

Sherman County is located in central Nebraska. The county seat and largest town is Loup City. The Middle Loup River runs diagonally the county. The county has two high schools; one in Loup City and one in Litchfield. Just six miles northeast of Loup City is the Sherman Reservoir consisting of 89 lake homes and 200 mobile homes. The population in Loup City has increased slightly and they are experiencing some economic growth. The smaller towns in the county however, are experiencing decreasing population and economic decline. A new Assessor (Sherie Kuszak, formerly the Deputy Assessor) took office at the end of January.

The statistical sampling of 65 qualified residential sales will be considered an adequate and reliable sample for the measurement of the residential class of real property in Sherman County. The calculated median is 99%. All, but one, valuation groupings are within, or round to within, the acceptable range. The one low valuation grouping represents the assessor location of Rockville. A reliable statistical inference would be difficult with only one sale in this grouping. The statistics reflect an influence on the COD and PRD due to low dollar sales. Ten of the sixty-five sales are under \$15,000.

All residential, commercial and agricultural sales are reviewed by researching the deed. Sale verification questionnaires are mailed to both the buyer and seller of the property. The questionnaire asked for details to assist the assessor in discovering the terms of the sale. The document asks how the selling price was established, whether any personal property was involved in the sale, how the property was listed for sale, whether any part of the property will be used for a non-residential purpose, if there was any prior association between the buyer and the seller and if there was any special consideration involved in the sale. Telephone contact is made to the buyer or seller if there are additional questions concerning the sale. Additional resources such as attorneys and real estate agents are utilized in this process to acquire more accurate information concerning sales. Physical on-site reviews are also performed on the sales as deemed appropriate to verify data at time of sale. Additionally, sales in the study period are monitored for any changes that may take place after the purchase.

Sherman County employs a six-year inspection cycle for reviewing the property in their county. Their review includes physically inspecting, measuring, photographing and updating their records. Sherman County is committed to moving forward technologically. They have a website with online parcel search, transfer their sales electronically, complete spreadsheet analyses and use Agri-Data as part of their agland analysis.

Based on the consideration of all available information, the level of value is determined to be 99% of market value for the residential class of real property. Because the known assessment practices are reliable and consistent it is believed that the residential class of property is being treated in the most uniform and proportionate manner possible.

**2012 Correlation Section
for Sherman 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 Sherman 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 Sherman 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 Sherman 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 Sherman County

The valuation groupings were reviewed for statistical compliance.

1 new commercial building was added with completion on another parcel.

All pickup work was reviewed and completed.

New property record cards were implemented.

2012 Commercial Assessment Survey for Sherman County

1.	Valuation data collection done by:	
	Assessor and deputy	
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>
	1	Loup City - Largest community, active retail/business, grain elevator, K-12 school, on highway, permits
	2	Ashton - Small community, retail/business, on highway, fuel station, post office, no school, permits
	3	Hazard - Bedroom community, no post office, no school, no fuel station, one tavern/restaurant, no retail/business, permits
	4	Litchfield - Second largest community, active retail/business, on highway, active railroad line, grain elevator, post office, K-12 school, pay-at-pump fuel station only, permits
	5	Rockville - Bedroom community, limited retail/business, permits, post office, no school, no fuel station
	6	Rural – all business not located in a town.
3.	List and describe the approach(es) used to estimate the market value of commercial properties.	
	Cost approach through CAMA system – depreciation through the local market, sales comparison where there are enough sales and income if information is available. Use contract appraiser on some parcels.	
3a.	Describe the process used to value unique commercial properties.	
	Review like sales from surrounding counties for comparable parcels, purchase price & use, receive assistance from contract appraiser, Jason Wozniak	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	2002	
5.	If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor?	
	The county develops their own based on 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?	
	Annually the tables are reviewed and updated if necessary	
8.	When was the last lot value study completed for each valuation grouping?	
	2000	
9.	Describe the methodology used to determine the commercial lot values.	
	All lots are valued by square foot or by the acre, based on sales and like properties	
10.	How do you determine whether a sold parcel is substantially changed?	

	Each sale is reviewed individually, generally large remodeling or the removal or addition of an improvement would constitute a substantial change.
--	--

**82 Sherman
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 : 8
 Total Sales Price : 157,680
 Total Adj. Sales Price : 157,680
 Total Assessed Value : 141,465
 Avg. Adj. Sales Price : 19,710
 Avg. Assessed Value : 17,683

MEDIAN : 99
 WGT. MEAN : 90
 MEAN : 99
 COD : 18.40
 PRD : 110.10

COV : 30.77
 STD : 30.39
 Avg. Abs. Dev : 18.20
 MAX Sales Ratio : 158.90
 MIN Sales Ratio : 49.05

95% Median C.I. : 49.05 to 158.90
 95% Wgt. Mean C.I. : 61.50 to 117.93
 95% Mean C.I. : 73.37 to 124.19

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DATE OF SALE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
<u>Qtrts</u>												
01-JUL-08 To 30-SEP-08	1	98.34	98.34	98.34	00.00	100.00	98.34	98.34	N/A	16,000	15,735	
01-OCT-08 To 31-DEC-08	1	104.03	104.03	104.03	00.00	100.00	104.03	104.03	N/A	20,000	20,805	
01-JAN-09 To 31-MAR-09												
01-APR-09 To 30-JUN-09	2	125.65	125.65	136.73	26.46	91.90	92.40	158.90	N/A	7,500	10,255	
01-JUL-09 To 30-SEP-09												
01-OCT-09 To 31-DEC-09	2	102.48	102.48	100.68	02.96	101.79	99.45	105.50	N/A	24,590	24,758	
01-JAN-10 To 31-MAR-10												
01-APR-10 To 30-JUN-10	1	82.53	82.53	82.53	00.00	100.00	82.53	82.53	N/A	20,000	16,505	
01-JUL-10 To 30-SEP-10	1	49.05	49.05	49.05	00.00	100.00	49.05	49.05	N/A	37,500	18,395	
01-OCT-10 To 31-DEC-10												
01-JAN-11 To 31-MAR-11												
01-APR-11 To 30-JUN-11												
<u>Study Yrs</u>												
01-JUL-08 To 30-JUN-09	4	101.19	113.42	111.86	17.84	101.39	92.40	158.90	N/A	12,750	14,263	
01-JUL-09 To 30-JUN-10	3	99.45	95.83	95.43	07.70	100.42	82.53	105.50	N/A	23,060	22,007	
01-JUL-10 To 30-JUN-11	1	49.05	49.05	49.05	00.00	100.00	49.05	49.05	N/A	37,500	18,395	
<u>Calendar Yrs</u>												
01-JAN-09 To 31-DEC-09	4	102.48	114.06	109.11	17.70	104.54	92.40	158.90	N/A	16,045	17,506	
01-JAN-10 To 31-DEC-10	2	65.79	65.79	60.70	25.44	108.39	49.05	82.53	N/A	28,750	17,450	
<u>ALL</u>	8	98.90	98.78	89.72	18.40	110.10	49.05	158.90	49.05 to 158.90	19,710	17,683	

VALUATION GROUPING											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
01	5	99.45	88.11	83.06	15.68	106.08	49.05	105.50	N/A	25,336	21,044	
02	1	98.34	98.34	98.34	00.00	100.00	98.34	98.34	N/A	16,000	15,735	
04	2	125.65	125.65	136.73	26.46	91.90	92.40	158.90	N/A	7,500	10,255	
<u>ALL</u>	8	98.90	98.78	89.72	18.40	110.10	49.05	158.90	49.05 to 158.90	19,710	17,683	

PROPERTY TYPE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
02												
03	8	98.90	98.78	89.72	18.40	110.10	49.05	158.90	49.05 to 158.90	19,710	17,683	
04												
<u>ALL</u>	8	98.90	98.78	89.72	18.40	110.10	49.05	158.90	49.05 to 158.90	19,710	17,683	

**82 Sherman
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 : 8
 Total Sales Price : 157,680
 Total Adj. Sales Price : 157,680
 Total Assessed Value : 141,465
 Avg. Adj. Sales Price : 19,710
 Avg. Assessed Value : 17,683

MEDIAN : 99
 WGT. MEAN : 90
 MEAN : 99
 COD : 18.40
 PRD : 110.10

COV : 30.77
 STD : 30.39
 Avg. Abs. Dev : 18.20
 MAX Sales Ratio : 158.90
 MIN Sales Ratio : 49.05

95% Median C.I. : 49.05 to 158.90
 95% Wgt. Mean C.I. : 61.50 to 117.93
 95% Mean C.I. : 73.37 to 124.19

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SALE PRICE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
___ Low \$ Ranges ___												
Less Than 5,000												
Less Than 15,000	3	105.50	118.93	124.24	21.01	95.73	92.40	158.90	N/A	8,333	10,353	
Less Than 30,000	6	101.19	106.95	103.83	15.67	103.00	82.53	158.90	82.53 to 158.90	13,500	14,018	
___ Ranges Excl. Low \$ ___												
Greater Than 4,999	8	98.90	98.78	89.72	18.40	110.10	49.05	158.90	49.05 to 158.90	19,710	17,683	
Greater Than 14,999	5	98.34	86.68	83.21	14.62	104.17	49.05	104.03	N/A	26,536	22,081	
Greater Than 29,999	2	74.25	74.25	74.80	33.94	99.26	49.05	99.45	N/A	38,340	28,680	
___ Incremental Ranges ___												
0 TO 4,999												
5,000 TO 14,999	3	105.50	118.93	124.24	21.01	95.73	92.40	158.90	N/A	8,333	10,353	
15,000 TO 29,999	3	98.34	94.97	94.72	07.29	100.26	82.53	104.03	N/A	18,667	17,682	
30,000 TO 59,999	2	74.25	74.25	74.80	33.94	99.26	49.05	99.45	N/A	38,340	28,680	
60,000 TO 99,999												
100,000 TO 149,999												
150,000 TO 249,999												
250,000 TO 499,999												
500,000 TO 999,999												
1,000,000 +												
___ ALL ___	8	98.90	98.78	89.72	18.40	110.10	49.05	158.90	49.05 to 158.90	19,710	17,683	

OCCUPANCY CODE											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
350	1	158.90	158.90	158.90	00.00	100.00	158.90	158.90	N/A	10,000	15,890	
353	3	98.34	84.30	70.36	19.14	119.81	49.05	105.50	N/A	21,167	14,893	
406	1	92.40	92.40	92.40	00.00	100.00	92.40	92.40	N/A	5,000	4,620	
420	1	104.03	104.03	104.03	00.00	100.00	104.03	104.03	N/A	20,000	20,805	
444	1	99.45	99.45	99.45	00.00	100.00	99.45	99.45	N/A	39,180	38,965	
528	1	82.53	82.53	82.53	00.00	100.00	82.53	82.53	N/A	20,000	16,505	
___ ALL ___	8	98.90	98.78	89.72	18.40	110.10	49.05	158.90	49.05 to 158.90	19,710	17,683	

**2012 Correlation Section
for Sherman County**

A. Commercial Real Property

Sherman County is located in central Nebraska. The county seat and largest town is Loup City. The Middle Loup River runs diagonally the county. The county has two high schools; one in Loup City and one in Litchfield. Just six miles northeast of Loup City is the Sherman Reservoir consisting of a marina, 89 lake homes and 200 mobile homes. The population in Loup City has increased slightly and they are experiencing some economic growth. The smaller towns in the county however, are experiencing decreasing population and economic decline. A new Assessor (Sherie Kuszak, formerly the Deputy Assessor) took office at the end of January.

A review of the statistical analysis reveals only 8 qualified commercial sales in the three year study period. Although the calculated statistics indicate the level of value is within the acceptable range, there are not a sufficient number of sales to have confidence in the calculated statistics. The calculated median is 99%. It will not be relied upon in determining the level of value for Sherman County nor will the qualitative measures be used in determining assessment uniformity and proportionality. The statistics reflect an influence on the COD and PRD due to low dollar sales. Three of the eight sales are under \$15,000. The sample is not representative of the population as a whole even though the assessor has tried to utilize as many sales as possible without bias in the analysis of the commercial class, there is just not an active commercial market in Sherman County. The largest number of sales (5) occurred in the valuation grouping representing the town of Loup City. Three valuation groupings and six occupancy codes are represented within the statistical analysis. The measurement of these small samples is unrealistic, and because there is not a test to determine if each occupancy code listed is representative of the population these measures are insignificant.

All residential, commercial and agricultural sales are reviewed by researching the deed. Sale verification questionnaires are mailed to both the buyer and seller of the property. The questionnaire asked for details to assist the assessor in discovering the terms of the sale. The document asks how the selling price was established, whether any personal property was involved in the sale, how the property was listed for sale, whether any part of the property will be used for a non-commercial purpose, if there was any prior association between the buyer and the seller and if there was any special consideration involved in the sale. Telephone contact is made to the buyer or seller if there are additional questions concerning the sale. Additional resources such as attorneys and real estate agents are utilized in this process to acquire more accurate information concerning sales. Physical on-site reviews are also performed on the sales as deemed appropriate to verify data at time of sale. Additionally, sales in the study period are monitored for any changes that may take place after the purchase.

Sherman County has begun a six-year inspection cycle for reviewing the property in their county. Their review includes physically inspecting, measuring, photographing and updating their records. All commercial parcels are due to be inspected for the 2013 assessment year. The new Assessor is unaware of the last time the commercial parcels were physically inspected. Sherman County is committed to moving forward technologically. They have a website with online parcel search, transfer their sales electronically, complete spreadsheet

**2012 Correlation Section
for Sherman County**

analyses and use Agri-Data as part of their agricultural land analysis.

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

**2012 Correlation Section
for Sherman 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 Sherman 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 Sherman 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 Sherman 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 Sherman County

Sherman County reviewed sales and plotted sales and made the determination that there were no economic differences across the county and therefore combined the two market areas for 2012 into one market area for the whole county.

Land usage is updated annually through reviewing NRD permits, CRP owner verification, physical inspection and property owner reports. Land use changes are measured and attached to the individual file.

Non-agricultural influences are reviewed to determine if there is a difference indicating a need for special valuation.

Land was reviewed and determined to be the same value across the entire county so the northeast area of irrigated was increased to match the southwest values. Although the county was balanced for time and majority land use, the county still looked at the neighboring counties for economic trends. Dry land was increased by 10% and grass by 5% to keep in line with the market.

All pickup work was reviewed and completed.

2012 Agricultural Assessment Survey for Sherman County

1.	Valuation data collection done by:	
	Assessor and deputy	
2.	List each market area, and describe the location and the specific characteristics that make each unique.	
	Market Area	Description of unique characteristics
	1	No discernible differences have been determined for agricultural land for 2012
3.	Describe the process that is used to determine and monitor market areas.	
	Annually sales are plotted, topography & geographic characteristics are reviewed	
4.	Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land.	
	Written and on site review, sales are monitored and verified for recreational use, areas along the river are reviewed for recreational usage	
5.	Do farm home sites carry the same value as rural residential home sites or are market differences recognized? If differences, what are the recognized market differences?	
	Yes	
6.	What process is used to annually update land use? (Physical inspection, FSA maps, etc.)	
	Permits for NRD-CRP owner verifications, sales verifications – property owner reports, appraisal data	
7.	Describe the process used to identify and monitor the influence of non-agricultural characteristics.	
	Written sales verifications, zoning permits	
8.	Have special valuation applications been filed in the county? If yes, is there a value difference for the special valuation parcels.	
	Yes, no value difference has been determined.	
9.	How do you determine whether a sold parcel is substantially changed?	
	A substantial change would involve a change in land usage (NRD certification for new irrigation) or the addition or removal of an improvement (zoning permit for new construction) and sales review.	

82 Sherman
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 : 30
Total Sales Price : 9,456,232
Total Adj. Sales Price : 9,532,732
Total Assessed Value : 6,392,776
Avg. Adj. Sales Price : 317,758
Avg. Assessed Value : 213,093

MEDIAN : 72
WGT. MEAN : 67
MEAN : 69
COD : 13.89
PRD : 102.70

COV : 21.23
STD : 14.62
Avg. Abs. Dev : 10.06
MAX Sales Ratio : 94.82
MIN Sales Ratio : 29.01

95% Median C.I. : 69.36 to 76.13
95% Wgt. Mean C.I. : 61.63 to 72.49
95% Mean C.I. : 63.41 to 74.33

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DATE OF SALE *											Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.			
<u>Qtrts</u>												
01-JUL-08 To 30-SEP-08	2	70.10	70.10	69.44	10.64	100.95	62.64	77.56	N/A	411,500	285,743	
01-OCT-08 To 31-DEC-08	6	75.98	78.16	75.25	06.84	103.87	70.45	93.36	70.45 to 93.36	207,696	156,296	
01-JAN-09 To 31-MAR-09	1	71.96	71.96	71.96	00.00	100.00	71.96	71.96	N/A	1,500,000	1,079,465	
01-APR-09 To 30-JUN-09	1	77.88	77.88	77.88	00.00	100.00	77.88	77.88	N/A	120,000	93,455	
01-JUL-09 To 30-SEP-09												
01-OCT-09 To 31-DEC-09	3	79.03	81.50	80.86	10.20	100.79	70.64	94.82	N/A	254,333	205,652	
01-JAN-10 To 31-MAR-10	4	71.58	72.79	73.04	04.44	99.66	69.36	78.63	N/A	266,625	194,734	
01-APR-10 To 30-JUN-10	3	55.07	55.43	58.44	06.28	94.85	50.42	60.81	N/A	488,800	285,678	
01-JUL-10 To 30-SEP-10	3	50.76	57.70	52.81	16.35	109.26	48.71	73.62	N/A	324,000	171,107	
01-OCT-10 To 31-DEC-10	2	76.51	76.51	75.71	05.76	101.06	72.10	80.91	N/A	304,603	230,623	
01-JAN-11 To 31-MAR-11	4	50.17	50.74	46.56	35.88	108.98	29.01	73.63	N/A	213,613	99,461	
01-APR-11 To 30-JUN-11	1	76.13	76.13	76.13	00.00	100.00	76.13	76.13	N/A	112,000	85,260	
<u>Study Yrs</u>												
01-JUL-08 To 30-JUN-09	10	75.98	75.90	72.70	06.84	104.40	62.64	93.36	70.45 to 80.47	368,918	268,218	
01-JUL-09 To 30-JUN-10	10	70.25	70.19	68.36	12.94	102.68	50.42	94.82	55.07 to 79.03	329,590	225,293	
01-JUL-10 To 30-JUN-11	10	67.98	60.52	57.22	21.71	105.77	29.01	80.91	36.48 to 76.13	254,766	145,767	
<u>Calendar Yrs</u>												
01-JAN-09 To 31-DEC-09	5	77.88	78.87	75.11	08.03	105.01	70.64	94.82	N/A	476,600	357,975	
01-JAN-10 To 31-DEC-10	12	69.61	65.30	63.45	13.56	102.92	48.71	80.91	50.76 to 73.62	342,842	217,545	
<u>ALL</u>	30	72.42	68.87	67.06	13.89	102.70	29.01	94.82	69.36 to 76.13	317,758	213,093	

AREA (MARKET)											Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.			
1	30	72.42	68.87	67.06	13.89	102.70	29.01	94.82	69.36 to 76.13	317,758	213,093	
<u>ALL</u>	30	72.42	68.87	67.06	13.89	102.70	29.01	94.82	69.36 to 76.13	317,758	213,093	

95%MLU By Market Area											Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.			
<u>Dry</u>												
County	1	29.01	29.01	29.01	00.00	100.00	29.01	29.01	N/A	216,452	62,790	
1	1	29.01	29.01	29.01	00.00	100.00	29.01	29.01	N/A	216,452	62,790	
<u>Grass</u>												
County	7	72.73	71.65	72.38	08.35	98.99	50.42	80.47	50.42 to 80.47	183,486	132,816	
1	7	72.73	71.65	72.38	08.35	98.99	50.42	80.47	50.42 to 80.47	183,486	132,816	
<u>ALL</u>	30	72.42	68.87	67.06	13.89	102.70	29.01	94.82	69.36 to 76.13	317,758	213,093	

82 Sherman
AGRICULTURAL LAND

PAD 2012 R&O Statistics (Using 2012 Values)

Qualified

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MEDIAN : 72
 WGT. MEAN : 67
 MEAN : 69
 COD : 13.89
 PRD : 102.70

COV : 21.23
 STD : 14.62
 Avg. Abs. Dev : 10.06
 MAX Sales Ratio : 94.82
 MIN Sales Ratio : 29.01

95% Median C.I. : 69.36 to 76.13
 95% Wgt. Mean C.I. : 61.63 to 72.49
 95% Mean C.I. : 63.41 to 74.33

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80%MLU By Market Area

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
_____Irrigated_____											
County	11	70.45	67.48	66.66	14.96	101.23	48.71	94.82	50.76 to 77.56	540,536	360,307
1	11	70.45	67.48	66.66	14.96	101.23	48.71	94.82	50.76 to 77.56	540,536	360,307
_____Dry_____											
County	2	32.75	32.75	33.41	11.42	98.02	29.01	36.48	N/A	263,226	87,945
1	2	32.75	32.75	33.41	11.42	98.02	29.01	36.48	N/A	263,226	87,945
_____Grass_____											
County	10	74.43	74.52	73.85	10.04	100.91	50.42	93.36	69.36 to 80.91	189,441	139,896
1	10	74.43	74.52	73.85	10.04	100.91	50.42	93.36	69.36 to 80.91	189,441	139,896
_____ALL_____											
	30	72.42	68.87	67.06	13.89	102.70	29.01	94.82	69.36 to 76.13	317,758	213,093

Sherman County 2012 Average LCG Value Comparison

	County	Mkt Area	1A1	1A	2A1	2A	3A1	3A	4A1	4A	AVG IRR
82.10	Sherman	1	#DIV/0!	2,075	2,005	2,005	1,935	1,935	1,895	1,895	1,962
82.20	Sherman	2	#DIV/0!	2,075	2,005	2,005	1,935	1,935	1,895	1,895	1,960
88.10	Valley	1	#DIV/0!	2,400	2,400	1,800	1,400	1,400	1,000	1,000	1,846
39.10	Greeley	1	#DIV/0!	1,815	1,815	1,815	1,800	1,800	1,800	1,700	1,782
39.20	Greeley	2	#DIV/0!	2,540	2,320	2,170	2,055	2,010	2,010	1,880	2,182
40.10	Hall	1	3,279	3,281	2,810	2,797	1,965	1,963	1,861	1,861	2,890
10.30	Buffalo	3	2,500	2,500	1,575	1,575	1,575	1,575	1,575	1,550	2,055
21.10	Custer	1	#DIV/0!	2,902	2,562	2,439	2,281	2,105	2,084	2,082	2,512

	County	Mkt Area	1D1	1D	2D1	2D	3D1	3D	4D1	4D	AVG DRY
	Sherman	1	#DIV/0!	865	820	820	775	775	730	730	767
	Sherman	2	#DIV/0!	865	820	820	775	775	730	730	772
	Valley	1	#DIV/0!	1,000	1,000	1,000	800	800	800	750	875
	Greeley	1	#DIV/0!	1,015	1,000	990	855	840	600	465	730
	Greeley	2	#DIV/0!	1,320	1,300	1,290	1,130	1,080	750	615	963
	Hall	1	2,047	2,042	1,809	1,520	1,365	1,192	1,200	962	1,697
	Buffalo	3	1,200	1,100	1,100	1,100	850	850	850	850	965
	Custer	1	#DIV/0!	1,050	980	972	910	710	705	700	876

	County	Mkt Area	1G1	1G	2G1	2G	3G1	3G	4G1	4G	AVG GRASS
	Sherman	1	#DIV/0!	607	594	590	559	556	547	546	550
	Sherman	2	#DIV/0!	605	592	590	559	558	546	546	549
	Valley	1	#DIV/0!	751	751	747	750	743	568	523	557
	Greeley	1	#DIV/0!	467	421	422	420	420	420	420	420
	Greeley	2	#DIV/0!	689	658	623	612	594	576	554	568
	Hall	1	1,554	1,556	1,218	1,219	717	717	714	718	868
	Buffalo	3	849	837	834	832	788	797	696	672	710
	Custer	1	#DIV/0!	512	505	507	501	500	480	485	487

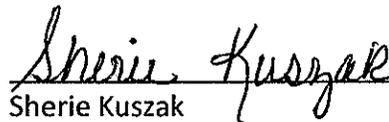
*Land capability grouping averages calculated using data reported on the 2012 Form 45, Abstract of Assessment

2012 Methodology Report for Special Valuation

Sherman County, Nebraska

Upon review of the properties and the sales within the current time period, there is no evidence for cause to implement special value for Sherman County. Sherman County has two filings from one property owner in 2004. There is no evidence to implement special value at this time. The parcels that have applications on file for special value are valued the same as other agricultural land within their own market area.

Dated this 23rd day of February, 2012.



Sherie Kuszak
Sherman County Assessor

2012 Correlation Section for Sherman County

A. Agricultural Land

Sherman County is comprised of approximately 27% irrigated land, 14% dry crop land and 59% grass/pasture land. Sherman County is part of the Central Nebraska Loess Hills Major Land Resource Area. The average annual precipitation in this area is 21 to 29 inches. The dominant soil orders in this MLRA are Entisols and Mollisols. The Middle Loup River runs diagonally the county. Sherman County is governed by the Lower Loup Natural Resource District. After review of the sales, both market areas were combined for this year. Sherman County uses one schedule of ag values throughout the county, but for abstract purposes the county continues to inventory parcels based on both market areas. Annually sales are reviewed and plotted to verify accuracy of the market area determination.

Sherman County had 29 qualified agricultural land sales occurring in their county. These 29 sales equaled 4.5% of the county's acres sold, an adequate amount. However these sales were not adequately representative for majority land use. Comparable sales existed within a six mile parameter of Sherman County. One grass sale was added to the newest year of the sales study. The resulting statistical profile shows 30 sales with a calculated median of 72%, a COD of 13.89% and a PRD of 102.70%. The statistical sample is comprised of 31% irrigated sales, 19% dry sales and 50% grass sales. The acceptable thresholds for adequacy, time and majority land use were met.

The statistical profile also further breaks down subclasses of 95% and 80% majority land use with the 80% majority land use providing a better indication of the level of value by majority land use. One subclass, dry land is outside of the acceptable range but with only two qualified sales, no reliable statistical inference should be made.

A review, of the neighboring counties, shows that the 2012 average values in Sherman County blend sufficiently with the neighboring counties in each direction. . In response to the increasing trend in the agricultural market, irrigated values were raised in the northwestern part of the county due to the elimination of one market area, dry values were raised 10% and grass values were raised 5%. Indications support that Sherman County has achieved both inter- and intra-county equalization. The quality statistics support the level of value and give confidence to the reported assessment actions.

Sherman County has received applications for special valuation on two parcels of land. Land is reviewed annually for nonagricultural influence and no valuation difference was determined for 2012.

Sherman County has begun a six-year inspection cycle for reviewing the property in their county. Their review includes physically inspecting, measuring, photographing and updating their records. Sherman County is committed to moving forward technologically. They have a website with online parcel search, transfer their sales electronically, complete spreadsheet analyses and use Agri-Data as part of their agricultural land analysis.

Based on the consideration of all available information, the level of value is determined to be 72% of market value for the agricultural class of real property, and all subclasses are

**2012 Correlation Section
for Sherman County**

determined to be valued within the acceptable range. Because the known assessment practices are reliable and consistent it is believed that the agricultural class of property is being treated in the most uniform and proportionate manner possible.

There will be no non-binding recommendation made for the agricultural class of property in Sherman County.

**2012 Correlation Section
for Sherman 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 Sherman 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 Sherman 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 Sherman 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 : 3,732	Value : 433,624,850	Growth 2,114,734	Sum Lines 17, 25, & 41
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Schedule I : Non-Agricultural Records

	Urban		SubUrban		Rural		Total		Growth
	Records	Value	Records	Value	Records	Value	Records	Value	
01. Res UnImp Land	201	531,205	14	104,440	20	109,245	235	744,890	
02. Res Improve Land	894	2,926,410	64	1,229,635	111	2,747,185	1,069	6,903,230	
03. Res Improvements	897	31,721,585	66	3,255,820	125	8,780,390	1,088	43,757,795	
04. Res Total	1,098	35,179,200	80	4,589,895	145	11,636,820	1,323	51,405,915	986,342
% of Res Total	82.99	68.43	6.05	8.93	10.96	22.64	35.45	11.85	46.64
05. Com UnImp Land	47	119,800	2	2,455	0	0	49	122,255	
06. Com Improve Land	151	541,965	6	75,450	5	88,345	162	705,760	
07. Com Improvements	154	7,057,120	6	364,870	8	883,860	168	8,305,850	
08. Com Total	201	7,718,885	8	442,775	8	972,205	217	9,133,865	38,475
% of Com Total	92.63	84.51	3.69	4.85	3.69	10.64	5.81	2.11	1.82
09. Ind UnImp Land	0	0	0	0	0	0	0	0	
10. Ind Improve Land	1	58,950	0	0	0	0	1	58,950	
11. Ind Improvements	1	114,435	0	0	0	0	1	114,435	
12. Ind Total	1	173,385	0	0	0	0	1	173,385	0
% of Ind Total	100.00	100.00	0.00	0.00	0.00	0.00	0.03	0.04	0.00
13. Rec UnImp Land	0	0	0	0	5	175,645	5	175,645	
14. Rec Improve Land	0	0	0	0	292	5,233,415	292	5,233,415	
15. Rec Improvements	0	0	0	0	293	13,210,830	293	13,210,830	
16. Rec Total	0	0	0	0	298	18,619,890	298	18,619,890	216,510
% of Rec Total	0.00	0.00	0.00	0.00	100.00	100.00	7.98	4.29	10.24
Res & Rec Total	1,098	35,179,200	80	4,589,895	443	30,256,710	1,621	70,025,805	1,202,852
% of Res & Rec Total	67.74	50.24	4.94	6.55	27.33	43.21	43.44	16.15	56.88
Com & Ind Total	202	7,892,270	8	442,775	8	972,205	218	9,307,250	38,475
% of Com & Ind Total	92.66	84.80	3.67	4.76	3.67	10.45	5.84	2.15	1.82
17. Taxable Total	1,300	43,071,470	88	5,032,670	451	31,228,915	1,839	79,333,055	1,241,327
% of Taxable Total	70.69	54.29	4.79	6.34	24.52	39.36	49.28	18.30	58.70

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	6	248,475	879,720	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	6	248,475	879,720
20. Industrial	0	0	0	0	0	0
21. Other	0	0	0	0	0	0
22. Total Sch II				6	248,475	879,720

Schedule III : Mineral Interest Records

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

Schedule IV : Exempt Records : Non-Agricultural

	Urban Records	SubUrban Records	Rural Records	Total Records
26. Exempt	167	17	342	526

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	1	25,335	88	9,355,185	1,110	174,190,825	1,199	183,571,345
28. Ag-Improved Land	0	0	65	10,923,290	609	134,134,415	674	145,057,705
29. Ag Improvements	0	0	67	2,655,260	627	23,007,485	694	25,662,745
30. Ag Total							1,893	354,291,795

Schedule VI : Agricultural Records :Non-Agricultural Detail

	Urban			SubUrban			Growth
	Records	Acres	Value	Records	Acres	Value	
31. HomeSite UnImp Land	0	0.00	0	0	0.00	0	
32. HomeSite Improv Land	0	0.00	0	46	47.00	352,500	
33. HomeSite Improvements	0	0.00	0	46	47.00	1,955,920	
34. HomeSite Total							
35. FarmSite UnImp Land	0	0.00	0	0	0.00	0	
36. FarmSite Improv Land	0	0.00	0	61	200.27	200,520	
37. FarmSite Improvements	0	0.00	0	67	0.00	699,340	
38. FarmSite Total							
39. Road & Ditches	0	0.00	0	0	319.78	0	
40. Other- Non Ag Use	0	0.00	0	0	7.64	3,020	
	Records	Acres	Value	Records	Acres	Value	Growth
31. HomeSite UnImp Land	2	2.00	15,000	2	2.00	15,000	
32. HomeSite Improv Land	378	390.09	2,932,500	424	437.09	3,285,000	
33. HomeSite Improvements	381	388.09	14,142,245	427	435.09	16,098,165	873,407
34. HomeSite Total				429	439.09	19,398,165	
35. FarmSite UnImp Land	7	16.14	12,460	7	16.14	12,460	
36. FarmSite Improv Land	554	2,210.10	2,213,670	615	2,410.37	2,414,190	
37. FarmSite Improvements	601	0.00	8,865,240	668	0.00	9,564,580	0
38. FarmSite Total				675	2,426.51	11,991,230	
39. Road & Ditches	0	4,966.61	0	0	5,286.39	0	
40. Other- Non Ag Use	0	2.04	805	0	9.68	3,825	
41. Total Section VI				1,104	8,161.67	31,393,220	873,407

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	2	442.25	484,150	2	442.25	484,150
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	0.00	0.00%	0	0.00%	0.00
46. 1A	9,479.80	26.35%	19,671,035	27.86%	2,075.05
47. 2A1	2,395.41	6.66%	4,802,845	6.80%	2,005.02
48. 2A	2,659.39	7.39%	5,332,130	7.55%	2,005.02
49. 3A1	2,986.80	8.30%	5,779,430	8.19%	1,934.99
50. 3A	919.52	2.56%	1,779,060	2.52%	1,934.77
51. 4A1	8,879.17	24.68%	16,826,610	23.83%	1,895.07
52. 4A	8,660.41	24.07%	16,410,120	23.24%	1,894.84
53. Total	35,980.50	100.00%	70,601,230	100.00%	1,962.21
Dry					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	2,937.17	15.96%	2,540,695	17.99%	865.01
56. 2D1	1,035.74	5.63%	849,305	6.02%	820.00
57. 2D	771.60	4.19%	632,710	4.48%	820.00
58. 3D1	2,357.37	12.81%	1,827,270	12.94%	775.13
59. 3D	469.54	2.55%	363,950	2.58%	775.12
60. 4D1	5,581.09	30.33%	4,074,265	28.86%	730.01
61. 4D	5,248.88	28.52%	3,831,510	27.14%	729.97
62. Total	18,401.39	100.00%	14,119,705	100.00%	767.32
Grass					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	2,281.00	2.90%	1,384,835	3.20%	607.12
65. 2G1	1,186.29	1.51%	704,900	1.63%	594.21
66. 2G	1,494.77	1.90%	882,465	2.04%	590.37
67. 3G1	3,362.27	4.27%	1,880,435	4.34%	559.28
68. 3G	3,156.55	4.01%	1,755,420	4.06%	556.12
69. 4G1	16,966.32	21.57%	9,275,465	21.43%	546.70
70. 4G	50,208.14	63.83%	27,403,600	63.31%	545.80
71. Total	78,655.34	100.00%	43,287,120	100.00%	550.34
Irrigated Total					
	35,980.50	27.00%	70,601,230	55.15%	1,962.21
Dry Total					
	18,401.39	13.81%	14,119,705	11.03%	767.32
Grass Total					
	78,655.34	59.03%	43,287,120	33.81%	550.34
72. Waste	203.95	0.15%	18,355	0.01%	90.00
73. Other	0.00	0.00%	0	0.00%	0.00
74. Exempt	9,402.63	7.06%	0	0.00%	0.00
75. Market Area Total	133,241.18	100.00%	128,026,410	100.00%	960.86

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 2

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	0.00	0.00%	0	0.00%	0.00
46. 1A	13,030.42	24.31%	27,038,830	25.73%	2,075.05
47. 2A1	4,120.33	7.69%	8,261,340	7.86%	2,005.02
48. 2A	4,446.93	8.30%	8,916,115	8.48%	2,005.00
49. 3A1	2,926.66	5.46%	5,663,125	5.39%	1,935.01
50. 3A	2,275.12	4.24%	4,402,395	4.19%	1,935.02
51. 4A1	12,425.81	23.18%	23,547,075	22.41%	1,895.01
52. 4A	14,381.88	26.83%	27,253,865	25.94%	1,895.01
53. Total	53,607.15	100.00%	105,082,745	100.00%	1,960.24
Dry					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	4,767.25	18.12%	4,123,770	20.31%	865.02
56. 2D1	2,226.61	8.46%	1,825,780	8.99%	819.98
57. 2D	1,806.04	6.86%	1,480,960	7.30%	820.00
58. 3D1	1,436.94	5.46%	1,113,900	5.49%	775.19
59. 3D	489.66	1.86%	379,525	1.87%	775.08
60. 4D1	8,062.67	30.64%	5,885,775	28.99%	730.00
61. 4D	7,523.45	28.59%	5,491,225	27.05%	729.88
62. Total	26,312.62	100.00%	20,300,935	100.00%	771.53
Grass					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	3,184.04	2.52%	1,927,445	2.77%	605.35
65. 2G1	1,634.29	1.29%	966,965	1.39%	591.67
66. 2G	2,114.85	1.67%	1,248,560	1.80%	590.38
67. 3G1	1,674.68	1.32%	935,525	1.35%	558.63
68. 3G	2,445.54	1.93%	1,363,760	1.96%	557.65
69. 4G1	32,504.27	25.68%	17,751,160	25.55%	546.12
70. 4G	82,994.52	65.58%	45,282,575	65.18%	545.61
71. Total	126,552.19	100.00%	69,475,990	100.00%	548.99
Irrigated Total					
	53,607.15	25.95%	105,082,745	53.92%	1,960.24
Dry Total					
	26,312.62	12.74%	20,300,935	10.42%	771.53
Grass Total					
	126,552.19	61.25%	69,475,990	35.65%	548.99
72. Waste	138.80	0.07%	12,495	0.01%	90.02
73. Other	0.00	0.00%	0	0.00%	0.00
74. Exempt	219.12	0.11%	0	0.00%	0.00
75. Market Area Total	206,610.76	100.00%	194,872,165	100.00%	943.18

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	10.50	21,790	6,006.24	11,899,980	83,570.91	163,762,205	89,587.65	175,683,975
77. Dry Land	0.00	0	3,393.49	2,653,295	41,320.52	31,767,345	44,714.01	34,420,640
78. Grass	6.50	3,545	9,387.03	5,168,910	195,814.00	107,590,655	205,207.53	112,763,110
79. Waste	0.00	0	2.80	250	339.95	30,600	342.75	30,850
80. Other	0.00	0	0.00	0	0.00	0	0.00	0
81. Exempt	0.00	0	164.86	0	9,456.89	0	9,621.75	0
82. Total	17.00	25,335	18,789.56	19,722,435	321,045.38	303,150,805	339,851.94	322,898,575

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	89,587.65	26.36%	175,683,975	54.41%	1,961.03
Dry Land	44,714.01	13.16%	34,420,640	10.66%	769.80
Grass	205,207.53	60.38%	112,763,110	34.92%	549.51
Waste	342.75	0.10%	30,850	0.01%	90.01
Other	0.00	0.00%	0	0.00%	0.00
Exempt	9,621.75	2.83%	0	0.00%	0.00
Total	339,851.94	100.00%	322,898,575	100.00%	950.12

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

82 Sherman

	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	49,152,490	51,405,915	2,253,425	4.58%	986,342	2.58%
02. Recreational	16,577,865	18,619,890	2,042,025	12.32%	216,510	11.01%
03. Ag-Homesite Land, Ag-Res Dwelling	19,470,950	19,398,165	-72,785	-0.37%	873,407	-4.86%
04. Total Residential (sum lines 1-3)	85,201,305	89,423,970	4,222,665	4.96%	2,076,259	2.52%
05. Commercial	9,086,880	9,133,865	46,985	0.52%	38,475	0.09%
06. Industrial	173,385	173,385	0	0.00%	0	0.00%
07. Ag-Farmsite Land, Outbuildings	11,188,595	11,991,230	802,635	7.17%	0	7.17%
08. Minerals	0	0	0		0	
09. Total Commercial (sum lines 5-8)	20,448,860	21,298,480	849,620	4.15%	38,475	3.97%
10. Total Non-Agland Real Property	105,650,165	110,726,275	5,076,110	4.80%	2,114,734	2.80%
11. Irrigated	172,429,535	175,683,975	3,254,440	1.89%		
12. Dryland	31,141,655	34,420,640	3,278,985	10.53%		
13. Grassland	107,539,485	112,763,110	5,223,625	4.86%		
14. Wasteland	30,850	30,850	0	0.00%		
15. Other Agland	396,545	0	-396,545	-100.00%		
16. Total Agricultural Land	311,538,070	322,898,575	11,360,505	3.65%		
17. Total Value of all Real Property (Locally Assessed)	417,188,235	433,624,850	16,436,615	3.94%	2,114,734	3.43%

**2012 PLAN OF ASSESSMENT
FOR
SHERMAN COUNTY
By Carolyn Sekutera
Sherman County Assessor**

Plan of Assessment Requirements:

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

Real Property Assessment Requirements:

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

Assessment levels required for real property are as follows:

- 1) 100% of actual value for all classes of real property excluding agricultural and horticultural land;
- 2) 75% of actual value for agricultural land and horticultural land; and
- 3) 75% of special value for agricultural and horticultural land which meets the qualifications for special valuation under §77-1344.

Reference, Neb. Rev. Stat. §77-201 (R. S. Supp 2009).

General Description of Real Property in Sherman County:

Per the 2011 County Abstract, Sherman County consists of 3,724 parcels of the following real property types:

	Parcels	% of Total Parcels	% of Taxable Value
Residential	1322	35.50 %	11.83 %
Commercial	218	5.85 %	2.18 %
Industrial	1	.03 %	.04 %
Recreational	299	8.03 %	3.98 %
Agricultural	1884	50.59 %	81.97 %
Special Value	-	---	---

Agricultural land - taxable acres 339,815.14 with a value of 310,842,515.

Other pertinent facts: County is predominantly agricultural with 60.74% grassland, 26.09% irrigated, and 13.07% dry-broke and .10 for other and waste.

Current Resources:

A. Staff: County Assessor, Deputy and Clerk.

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

The Deputy Assessor and the Clerk have both taken and passed their Assessor's Exam.

B. Cadastral Maps 1969/soil maps/land use maps, aerial photos.

The assessment staff maintains the maps. All new subdivisions and parcel splits are kept up to date, as well as ownership transfers.

C. Property Record Cards

The property record cards in Sherman County were new in 1994 for Residential and Commercial and 1997 for Agricultural. The office went on-line in June of 2006 with the property record information.

D. The County uses the CAMA and Assessment Administration system. Sherman County **does not** have GIS.

E. Web based – property record information access- June 2006. The County is now with GIS Workshop.

- F. Agri-data, Inc software implemented to re-measure all rural parcels to original plat with consideration to documented surveys and to aid conversion from old soil symbols to new numeric symbols.

Current Assessment Procedures for Real Property:

- A. Discover, List & Inventory all property (*e.g. how you handle processes for Real Estate Transfers & ownership changes, Sales Review, building permits/information statements*).

The Assessor's staff processes sales transactions in the computer system and prints a copy of the 521 forms, property review sheet, which are given to the staff for review. Buyer/seller questionnaires are mailed at this time. The staff reviews the sales, takes new pictures, check accuracy of the data that we currently are using. Information confirmed is the land use for agricultural sales including verification with FSA records, the quality, condition and other data for any and all improvements. Properties are re-measured if something doesn't appear to be correct. Permits are provided to the Office by either the county zoning administrator or the city clerk which ever has the jurisdiction for the applicable property. The permits are all entered in the state computer system to facilitate possible changes on parcels. In addition to the permits property information statements are utilized to track property alterations. The permits remain in the system for reference through the Property Record Card.

- B. Data Collection (*e.g. frequency & method of physical property inspections, listing, gather market and income data*)

In accordance with Neb. Statute §77-1311.03 the County is working to ensure that all parcels of real property are reviewed no less frequently than every six years. Further, properties are reviewed as deemed necessary from analysis of the market conditions within each Assessor Location.

The permit and sales review system offer opportunity for individual property reviews annually.

Working with ag-land property owners or tenants with land certification requirements between the Farm Service Agency and the Natural Resource District provides updates for changes.

- C. Review assessment sales ratio studies before assessment actions (*e.g. how you perform A/S ratio studies internally or work with Field Liaison on analysis of A/S ratio studies*).

All statistics are reviewed annually to determine if adjustments are necessary to remain current with the market and building activity. For each assessor location and market area consideration is given to the number of sales in the study and the epoch of the parcel data.

The application of definitive market area boundaries within the agricultural sector is reviewed annually. This review attempts to ensure equality of sales distribution and types of classes and sub-classes moving in the market.

Analysis of this data is reviewed with the assigned Field Liaison and the plan of action for the year is developed.

D. Approaches to Value (*e.g. how you perform mass appraisal techniques or calibrate models, etc*);

1) Market Approach; sales comparisons,

Similar and like properties are studied to determine if action is necessary for adjustments for the upcoming year.

2) Cost Approach; cost manual used & date of manual and latest depreciation study,

The Department of Revenue, Property Assessment Division CAMA system is utilized for costing and applying market depreciation. Marshall & Swift cost manual dates are updated when appropriate to revaluing and introducing updated depreciation tables.

Specific manual dates and depreciation studies may vary between assigned assessor locations. A preliminary and final chart depicting this information is completed each assessment year.

3) Income Approach; income and expense data collection/analysis from the market,

Gather income information as available for commercial properties. Rental income has been requested for residential property. The income approach generally is not used since income/expense data is not readily available.

4) Land valuation studies, establish market areas, special value for agricultural land

Sales are plotted on a map indicative to the use at 80% of each class i.e. irrigation, grassland, or dry-broke cropland with the price per acre listed. Analysis is completed for agricultural sales based on but not limited to the following components: number of sales; time frame of sales; number of acres selling; Further review is completed in attempt to make note of any difference in selling price paid per acre to be classed as special value.

E. Reconciliation of Final Value and documentation

The market is analyzed based on the standard approaches to valuation and the final valuation is determined based on the most appropriate method.

F. Review assessment sales ratio studies after assessment actions.

Assessment ratios on current sale study periods are reviewed after final values are applied. The new costing and depreciation is then applied to the entire population of the class or sub-class being studied. Finally a unit of comparison analysis is completed to insure uniformity within the class or sub-class.

G. Notices and Public Relations

Notices of valuation change are mailed to property owners with assessed values different than the previous year on or before June 1st. These are mailed to the last known address of property owners. After notices have been mailed the appraisal staff is available to answer any questions or concerns of the taxpayers.

Level of Value, Quality, and Uniformity for Assessment Year 2011:

<u>Property Class</u>	<u># Sales</u>	<u>Median</u>	<u>COD*</u>	<u>PRD*</u>
Residential	60	97.00	14.92	105.57
Commercial	10	95.00	13.84	103.33
Agricultural Land	44	71.00	10.66	102.44
Special Value Agland	N/A			

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

Assessment Actions Planned for Assessment Year 2012:

Residential (and/or subclasses):

Update sales to the current study period for the coming year. Check and review statistics for any needed changes to remain in compliance for the coming year. Review sales transactions and buyer/seller questionnaires to determine which sales warrant an onsite review. Completion of annual pickup work specific to permits, information statements and other relevant notification of property changes.

Planned property reviews with new photos are in place for Ashton, Rockville, Hazard and Litchfield. This will include compliance to the uniformity criteria components, implementation of the effective age method (removal of the blended age method), updated cost tables and market depreciation.

Commercial (and/or subclasses):

Update sales to the current study period for the coming year. Check and review statistics for any needed changes to remain in compliance for the coming year. Review sales transactions and buyer/seller questionnaires to determine which sales warrant an onsite review. Completion of annual pickup work specific to permits, information statements and other relevant notification of property changes.

Agricultural Land (and/or subclasses):

Update sales to the current study period for the coming year. Check and review statistics for any needed changes to remain in compliance for the coming year. Review sales transactions and buyer/seller questionnaires to determine which sales warrant an onsite review. Completion of annual pickup work specific to permits, information statements and other relevant notification of property changes.

Sales will be plotted on the soil map and the topographical map indicative to the use at 80% of each class i.e. irrigation, grassland, or dry-broke cropland with the price per acre listed. Market area boundaries, if deemed appropriation in the valuation method, will be scrutinized for proportionality i.e. number of sales, timeliness of sales. Consideration will also be given to borrowing sales from the neighboring counties.

Adjustments to class and subclass values will be analyzed and applied as necessary.

Special Value – Agland:

Review sales within the current study period for a use other than agricultural.

Assessment Actions Planned for Assessment Year 2013:

Residential (and/or subclasses):

Update sales to the current study period for the coming year. Check and review statistics for any needed changes to remain in compliance for the coming year. Review sales transactions and buyer/seller questionnaires to determine which sales warrant an onsite review. Completion of annual pickup work specific to permits, information statements and other relevant notification of property changes.

Planned property reviews with new photos are in place for the City of Loup City and rural acreages. This will include updated cost tables and market depreciation as necessary. This will complete all Residential Properties within Sherman County.

All other Residential parcels will be subject to in-house reviews with adjustments made as necessary to be compliant with market statistics.

Commercial (and/or subclasses):

Update sales to the current study period for the coming year. Check and review statistics for any needed changes to remain in compliance for the coming year. Review sales transactions and buyer/seller questionnaires to determine which sales warrant an onsite review. Completion of annual pickup work specific to permits, information statements and other relevant notification of property changes.

Agricultural Land (and/or subclasses):

Update sales to the current study period for the coming year. Check and review statistics for any needed changes to remain in compliance for the coming year. Review sales transactions and buyer/seller questionnaires to determine which sales warrant an onsite review. Completion of annual pickup work specific to permits, information statements and other relevant notification of property changes.

Sales will be plotted on the soil map and the topographical map indicative to the use at 80% of each class i.e. irrigation, grassland, or dry-broke cropland with the price per acre listed. Market area boundaries, if deemed appropriation in the valuation method, will be scrutinized for proportionality i.e. number of sales, timeliness of sales. Consideration will also be given to borrowing sales from the neighboring counties.

Adjustments to class and subclass values will be analyzed and applied as necessary.

Special Value – Agland:

Review sales within the current study period for a use other than agricultural.

Assessment Actions Planned for Assessment Year 2014:

Residential (and/or subclasses):

Update sales to the current study period for the coming year. Check and review statistics for any needed changes to remain in compliance for the coming year. Review sales transactions and buyer/seller questionnaires to determine which sales warrant an onsite review. Completion of annual pickup work specific to permits, information statements and other relevant notification of property changes.

Commercial (and/or subclasses):

Update sales to the current study period for the coming year. Check and review statistics for any needed changes to remain in compliance for the coming year. Review sales transactions and buyer/seller questionnaires to determine which sales warrant an onsite review. Completion of annual pickup work specific to permits, information statements and other relevant notification of property changes.

Review of all commercial parcels with new photos for all commercials located in Sherman County. Updated cost tables and market depreciation as necessary.

Agricultural Land (and/or subclasses):

Update sales to the current study period for the coming year. Check and review statistics for any needed changes to remain in compliance for the coming year. Review sales transactions and buyer/seller questionnaires to determine which sales warrant an onsite review. Completion of annual pickup work specific to permits, information statements and other relevant notification of property changes.

Sales will be plotted on the soil map and the topographical map indicative to the use at 80% of each class i.e. irrigation, grassland, or dry-broke cropland with the price per acre listed. Market area boundaries, if deemed appropriation in the valuation method, will be scrutinized for proportionality i.e. number of sales, timeliness of sales. Consideration will also be given to borrowing sales from the neighboring counties.

Adjustments to class and subclass values will be analyzed and applied as necessary.

Special Value – Agland:

Review sales within the current study period for a use other than agricultural.

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

(Optional Section as it may be relevant to achieving assessment actions planned - for example describe):

1. Record Maintenance, Mapping updates, & Ownership changes
2. Annually prepare and file Assessor Administrative Reports required by statute/regulation:
 - a. Abstracts (Real & Personal Property)
 - b. Assessor Survey
 - c. Sales information to Department of Revenue, Property Assessment Division rosters & annual Assessed Value Update w/Abstract
 - d. Certification of Value to Political Subdivisions
 - e. School District Taxable Value Report
 - f. Homestead Exemption Tax Loss Report (in conjunction with Treasurer)
 - g. Certificate of Taxes Levied Report
 - h. Report of current values for properties owned by Board of Education Lands & Funds
 - i. Report of all Exempt Property and Taxable Government Owned Property
 - j. Annual Plan of Assessment Report
3. Personal Property; administer annual filing of 636 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 212 annual filings of applications, approval/denial process, taxpayer notifications, and taxpayer assistance.
7. Centrally Assessed – review of valuations as certified by Department of Revenue, Property Assessment Division 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. Tax Year 2011 finds 6 TIF's in Loup City City with a TIF Excess Value of 879,720.
9. Tax Districts and Tax Rates – management of school district and other tax entity boundary changes necessary for correct assessment and tax information; input/review of tax rates used for tax billing process.
10. Tax Lists; prepare and certify tax lists to county treasurer for real property, personal property, and centrally assessed.
11. Tax List Corrections – prepare tax list correction documents for county board approval.
12. County Board of Equalization - attend county board of equalization meetings for valuation protests – assemble and provide information
13. TERC Appeals - prepare information and attend taxpayer appeal hearings before TERC, defend valuation.
14. TERC Statewide Equalization – attend hearings if applicable to county, defend values, and/or implement orders of the TERC.
15. Education: Assessor – attend meetings, workshops, and educational classes to obtain required hours of continuing education to maintain assessor certification Retention of the assessor certification requires 60 hours of approved continuing education every four years.

Conclusion:

Summarize current budget request & resources needed for the future to achieve assessment actions planned.

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

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

Respectfully submitted:

CAROLYN J. SEKUTERA
SHERMAN COUNTY ASSESSOR

Copy distribution: Submit the plan to County Board of Equalization.
Mail a copy of the plan and any amendments to Department of Revenue, Property Assessment Division on or before October 31 of each year.

2012 Assessment Survey for Sherman County

A. Staffing and Funding Information

1.	Deputy(ies) on staff:
	1
2.	Appraiser(s) on staff:
	0
3.	Other full-time employees:
	0
4.	Other part-time employees:
	0
5.	Number of shared employees:
	0
6.	Assessor's requested budget for current fiscal year:
	\$126,669
7.	Adopted budget, or granted budget if different from above:
8.	Amount of the total assessor's budget set aside for appraisal work:
	\$20,000
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:
	\$6,550
11.	Amount of the assessor's budget set aside for education/workshops:
	\$2,500
12.	Other miscellaneous funds:
	\$12,500
13.	Amount of last year's assessor's budget not used:
	\$4,403

B. Computer, Automation Information and GIS

1.	Administrative software:
	Terra Scan
2.	CAMA software:
	Terra Scan
3.	Are cadastral maps currently being used?
	Yes
4.	If so, who maintains the Cadastral Maps?
	Assessor and deputy
5.	Does the county have GIS software?
	No

6.	Is GIS available on a website? If so, what is the name of the website?
	No
7.	Who maintains the GIS software and maps?
	n/a
8.	Personal Property software:
	Terra Scan

C. Zoning Information

1.	Does the county have zoning?
	Yes
2.	If so, is the zoning countywide?
	Yes
3.	What municipalities in the county are zoned?
	Loup City has their own zoning and Ashton, Rockville, Litchfield & Hazard are governed by county zoning
4.	When was zoning implemented?
	1999

D. Contracted Services

1.	Appraisal Services:
	Jason Wozniak
2.	Other services:
	Agri-Data

2012 Certification for Sherman 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 Sherman 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

