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## 2013 Commission Summary for McPherson County

### Residential Real Property - Current

Number of Sales	8	Median	83.43
Total Sales Price	\$495,437	Mean	89.51
Total Adj. Sales Price	\$495,437	Wgt. Mean	86.64
Total Assessed Value	\$429,250	Average Assessed Value of the Base	\$33,723
Avg. Adj. Sales Price	\$61,930	Avg. Assessed Value	\$53,656

### Confidence Interval - Current

95% Median C.I	66.57 to 129.88
95% Wgt. Mean C.I	72.56 to 100.72
95% Mean C.I	70.59 to 108.43
% of Value of the Class of all Real Property Value in the	2.56
% of Records Sold in the Study Period	6.50
% of Value Sold in the Study Period	10.35

### Residential Real Property - History

Year	Number of Sales	LOV	Median
2012	7		90.81
2011	9	0	92
2010	8	100	91
2009	7	100	92

## 2013 Commission Summary for McPherson County

### Commercial Real Property - Current

Number of Sales	0	Median	00.00
Total Sales Price	\$0	Mean	00.00
Total Adj. Sales Price	\$0	Wgt. Mean	00.00
Total Assessed Value	\$0	Average Assessed Value of the Base	\$46,951
Avg. Adj. Sales Price	\$0	Avg. Assessed Value	\$0

### Confidence Interval - Current

95% Median C.I	N/A
95% Wgt. Mean C.I	N/A
95% Mean C.I	N/A
% of Value of the Class of all Real Property Value in the County	0.35
% of Records Sold in the Study Period	0.00
% of Value Sold in the Study Period	0.00

### Commercial Real Property - History

Year	Number of Sales	LOV	Median
2012	0		00.00
2011	0	0	0
2010	1	100	91
2009	1	100	91



## 2013 Opinions of the Property Tax Administrator for McPherson County

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

Class	Level of Value	Quality of Assessment	Non-binding recommendation
<b>Residential Real Property</b>	*NEI	Meets generally accepted mass appraisal practices.	No recommendation.
<b>Commercial Real Property</b>	*NEI	Meets generally accepted mass appraisal practices.	No recommendation.
<b>Agricultural Land</b>	69	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 5th day of April, 2013.



\_\_\_\_\_  
Ruth A. Sorensen  
Property Tax Administrator



## **2013 Residential Assessment Actions for McPherson County**

The pickup work for the residential properties was completed and any improvements were added to the property record cards. In 2012 all outbuildings (agricultural and residential) were re-priced. Currently the county is in the process of doing a complete re-appraisal on all residences within McPherson County. The homes will be re-valued using the June, 2011 Marshall Swift cost indexes, with appropriate depreciation being applied. The new values will be placed on the tax rolls for the 2014 assessment year.

The sales verification process is primarily conducted in person with the buyer, seller, or third party to the transaction.

## 2013 Residential Assessment Survey for McPherson County

1.	<b>Valuation data collection done by:</b>	
	Assessor and hired appraiser.	
2.	<b>List the valuation groupings recognized by the County and describe the unique characteristics of each:</b>	
	<u>Valuation Grouping</u>	<u>Description of unique characteristics</u>
	1	Everything in the county is considered rural, even the village of Tryon, since it is unincorporated.
3.	<b>List and describe the approach(es) used to estimate the market value of residential properties.</b>	
	The cost approach, sales will be utilized in the development of a depreciation table. There are normally not enough sales to do a true sales comparison or income approach that would be meaningful.	
4.	<b>What is the costing year of the cost approach being used for each valuation grouping?</b>	
	All costing is June 2011.	
5.	<b>If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor?</b>	
	Local market information is used.	
6.	<b>Are individual depreciation tables developed for each valuation grouping?</b>	
	No	
7.	<b>When were the depreciation tables last updated for each valuation grouping?</b>	
	All houses were revalued and depreciated for the 2013 assessment year. The farm and residential outbuildings were done prior to this.	
8.	<b>When was the last lot value study completed for each valuation grouping?</b>	
	It was done as part of the reappraisal but there were no changes to the lot values.	
9.	<b>Describe the methodology used to determine the residential lot values?</b>	
	A per square foot cost was developed from the few sales and information the contracted appraiser provided in the analysis.	

**60 McPherson**

**RESIDENTIAL**

**PAD 2013 R&O Statistics (Using 2013 Values)**

Qualified

Date Range: 10/1/2010 To 9/30/2012 Posted on: 1/23/2013

Number of Sales : 8  
 Total Sales Price : 495,437  
 Total Adj. Sales Price : 495,437  
 Total Assessed Value : 429,250  
 Avg. Adj. Sales Price : 61,930  
 Avg. Assessed Value : 53,656

MEDIAN : 83  
 WGT. MEAN : 87  
 MEAN : 90  
 COD : 20.30  
 PRD : 103.31

COV : 25.28  
 STD : 22.63  
 Avg. Abs. Dev : 16.94  
 MAX Sales Ratio : 129.88  
 MIN Sales Ratio : 66.57

95% Median C.I. : 66.57 to 129.88  
 95% Wgt. Mean C.I. : 72.56 to 100.72  
 95% Mean C.I. : 70.59 to 108.43

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<b>DATE OF SALE *</b>										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-OCT-10 To 31-DEC-10											
01-JAN-11 To 31-MAR-11	1	114.09	114.09	114.09	00.00	100.00	114.09	114.09	N/A	51,437	58,687
01-APR-11 To 30-JUN-11											
01-JUL-11 To 30-SEP-11	5	71.61	75.06	77.21	08.39	97.22	66.57	85.03	N/A	70,600	54,508
01-OCT-11 To 31-DEC-11	1	96.82	96.82	96.82	00.00	100.00	96.82	96.82	N/A	61,000	59,058
01-JAN-12 To 31-MAR-12											
01-APR-12 To 30-JUN-12	1	129.88	129.88	129.88	00.00	100.00	129.88	129.88	N/A	30,000	38,964
01-JUL-12 To 30-SEP-12											
<u>Study Yrs</u>											
01-OCT-10 To 30-SEP-11	6	76.72	81.57	81.90	15.76	99.60	66.57	114.09	66.57 to 114.09	67,406	55,205
01-OCT-11 To 30-SEP-12	2	113.35	113.35	107.72	14.58	105.23	96.82	129.88	N/A	45,500	49,011
<u>Calendar Yrs</u>											
01-JAN-11 To 31-DEC-11	7	81.83	83.74	83.85	15.28	99.87	66.57	114.09	66.57 to 114.09	66,491	55,755
<u>ALL</u>	8	83.43	89.51	86.64	20.30	103.31	66.57	129.88	66.57 to 129.88	61,930	53,656

<b>VALUATION GROUPING</b>										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
01	8	83.43	89.51	86.64	20.30	103.31	66.57	129.88	66.57 to 129.88	61,930	53,656
<u>ALL</u>	8	83.43	89.51	86.64	20.30	103.31	66.57	129.88	66.57 to 129.88	61,930	53,656

<b>PROPERTY TYPE *</b>										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
01	8	83.43	89.51	86.64	20.30	103.31	66.57	129.88	66.57 to 129.88	61,930	53,656
06											
07											
<u>ALL</u>	8	83.43	89.51	86.64	20.30	103.31	66.57	129.88	66.57 to 129.88	61,930	53,656

**60 McPherson**

**RESIDENTIAL**

**PAD 2013 R&O Statistics (Using 2013 Values)**

Qualified

Date Range: 10/1/2010 To 9/30/2012 Posted on: 1/23/2013

Number of Sales : 8  
 Total Sales Price : 495,437  
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 Avg. Adj. Sales Price : 61,930  
 Avg. Assessed Value : 53,656

MEDIAN : 83  
 WGT. MEAN : 87  
 MEAN : 90  
 COD : 20.30  
 PRD : 103.31

COV : 25.28  
 STD : 22.63  
 Avg. Abs. Dev : 16.94  
 MAX Sales Ratio : 129.88  
 MIN Sales Ratio : 66.57

95% Median C.I. : 66.57 to 129.88  
 95% Wgt. Mean C.I. : 72.56 to 100.72  
 95% Mean C.I. : 70.59 to 108.43

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SALE PRICE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
<u>Low \$ Ranges</u>												
Less Than 5,000												
Less Than 15,000	1	70.26	70.26	70.26	00.00	100.00	70.26	70.26	N/A	5,000	3,513	
Less Than 30,000	1	70.26	70.26	70.26	00.00	100.00	70.26	70.26	N/A	5,000	3,513	
<u>Ranges Excl. Low \$</u>												
Greater Than 4,999	8	83.43	89.51	86.64	20.30	103.31	66.57	129.88	66.57 to 129.88	61,930	53,656	
Greater Than 14,999	7	85.03	92.26	86.81	20.29	106.28	66.57	129.88	66.57 to 129.88	70,062	60,820	
Greater Than 29,999	7	85.03	92.26	86.81	20.29	106.28	66.57	129.88	66.57 to 129.88	70,062	60,820	
<u>Incremental Ranges</u>												
0 TO 4,999												
5,000 TO 14,999	1	70.26	70.26	70.26	00.00	100.00	70.26	70.26	N/A	5,000	3,513	
15,000 TO 29,999												
30,000 TO 59,999	4	99.56	98.89	94.42	23.19	104.73	66.57	129.88	N/A	48,609	45,895	
60,000 TO 99,999	2	84.22	84.22	81.79	14.97	102.97	71.61	96.82	N/A	75,500	61,754	
100,000 TO 149,999	1	81.83	81.83	81.83	00.00	100.00	81.83	81.83	N/A	145,000	118,649	
150,000 TO 249,999												
250,000 TO 499,999												
500,000 TO 999,999												
1,000,000 +												
<u>ALL</u>	8	83.43	89.51	86.64	20.30	103.31	66.57	129.88	66.57 to 129.88	61,930	53,656	



**2013 Correlation Section  
for McPherson County**

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**A. Residential Real Property**

McPherson County is primarily an agricultural based county with a total countywide population of approximately 500; a sustainable residential market does not exist. Tryon, the county seat, is the only town in the county and it is unincorporated. Services within Tryon are limited, and because of its close proximity to North Platte, 35 miles to the southeast, North Platte will be the major resource of goods and services for the town and surrounding area.

The calculated median from the statistical sampling of 8 residential sales will not be relied upon in determining the level of value for McPherson County nor will the qualitative measures be used in determining assessment uniformity and proportionality. There is confidence in the sale verification process and the review of the non-qualified sales that all arm's length sales have been used. A level of value for the residential class of property cannot be made without a reasonable degree of certainty that the residential sample is adequate and representative of the residential population as a whole.

The assessor works to maintain a six-year cycle of physical inspection and review and keeps up with the annual appraisal maintenance. In 2012 all outbuildings, residential and agricultural, were revalued. For 2013 within the residential class of real property the goal was to have all homes within McPherson County re-priced and new depreciation applied. However, due to certain circumstances this goal was not attained but will be completed for 2014.

Based on the consideration of all available information, the level of value cannot be determined for the residential class of real property.

**2013 Correlation Section  
for McPherson County**

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**B. Analysis of Sales Verification**

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

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

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

## 2013 Correlation Section for McPherson County

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### C. Measures of Central Tendency

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

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

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

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

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

## 2013 Correlation Section for McPherson County

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### D. Analysis of Quality of Assessment

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

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

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

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

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

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

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

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

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

Note that as market activity changes or as the complexity of properties increases, the measures of variability usually increase, even though appraisal procedures may be equally valid. Standard on Ratio Studies—2010, International Association of Assessing Officers, (2010), p. 13.

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

**2013 Correlation Section  
for McPherson County**

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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 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.



## **2013 Commercial Assessment Actions for McPherson County**

The annual pickup work was completed for the commercial properties in 2013; any new improvements were added to the property record cards.

There were no commercial sales for analysis during the study period 10.01.09 to 09.30.12.

A complete reappraisal was done in 2012. There were no changes to the commercial class of real property for assessment year 2013.

## 2013 Commercial Assessment Survey for McPherson County

1.	<b>Valuation data collection done by:</b>	
	Hired appraiser.	
2.	<b>List the valuation groupings recognized in the County and describe the unique characteristics of each:</b>	
	<u>Valuation Grouping</u>	<u>Description of unique characteristics</u>
	1	There are seldom any commercial sales in McPherson County.
3.	<b>List and describe the approach(es) used to estimate the market value of commercial properties.</b>	
	With only 9 commercial properties in McPherson County, the cost approach carries the most weight. A true sales comparison cannot be relied upon; however the sales are utilized to develop depreciation. Neither is there enough income and expense data available in this area to make the income approach reliable.	
3a.	<b>Describe the process used to determine the value of unique commercial properties.</b>	
	An appraiser will be contacted.	
4.	<b>What is the costing year of the cost approach being used for each valuation grouping?</b>	
	2011	
5.	<b>If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor?</b>	
	Local market.	
6.	<b>Are individual depreciation tables developed for each valuation grouping?</b>	
	No	
7.	<b>When were the depreciation tables last updated for each valuation grouping?</b>	
	2012	
8.	<b>When was the last lot value study completed for each valuation grouping?</b>	
	2012	
9.	<b>Describe the methodology used to determine the commercial lot values.</b>	
	Vacant lot sales are rare, primarily relied on experience and information provided by the contracted appraiser in valuing similar lots in counties similar to McPherson County. A square foot cost is utilized.	

**60 McPherson**

**COMMERCIAL**

**PAD 2013 R&O Statistics (Using 2013 Values)**

Qualified

Date Range: 10/1/2009 To 9/30/2012 Posted on: 1/23/2013

Number of Sales : 0  
 Total Sales Price : 0  
 Total Adj. Sales Price : 0  
 Total Assessed Value : 0  
 Avg. Adj. Sales Price : 0  
 Avg. Assessed Value : 0

MEDIAN : 0  
 WGT. MEAN : 0  
 MEAN : 0  
 COD : 00.00  
 PRD : 00.00

COV : 00.00  
 STD : 00.00  
 Avg. Abs. Dev : 00.00  
 MAX Sales Ratio : 00.00  
 MIN Sales Ratio : 00.00

95% Median C.I. : N/A  
 95% Wgt. Mean C.I. : N/A  
 95% Mean C.I. : N/A

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**DATE OF SALE \***

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Qtrrs</u>											
01-OCT-09 To 31-DEC-09											
01-JAN-10 To 31-MAR-10											
01-APR-10 To 30-JUN-10											
01-JUL-10 To 30-SEP-10											
01-OCT-10 To 31-DEC-10											
01-JAN-11 To 31-MAR-11											
01-APR-11 To 30-JUN-11											
01-JUL-11 To 30-SEP-11											
01-OCT-11 To 31-DEC-11											
01-JAN-12 To 31-MAR-12											
01-APR-12 To 30-JUN-12											
01-JUL-12 To 30-SEP-12											
<u>Study Yrs</u>											
01-OCT-09 To 30-SEP-10											
01-OCT-10 To 30-SEP-11											
01-OCT-11 To 30-SEP-12											
<u>Calendar Yrs</u>											
01-JAN-10 To 31-DEC-10											
01-JAN-11 To 31-DEC-11											
<u>ALL</u>											

**PROPERTY TYPE \***

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
02											
03											
04											
<u>ALL</u>											

**60 McPherson  
COMMERCIAL**

**PAD 2013 R&O Statistics (Using 2013 Values)**

Qualified

Date Range: 10/1/2009 To 9/30/2012 Posted on: 1/23/2013

Number of Sales : 0  
Total Sales Price : 0  
Total Adj. Sales Price : 0  
Total Assessed Value : 0  
Avg. Adj. Sales Price : 0  
Avg. Assessed Value : 0

MEDIAN : 0  
WGT. MEAN : 0  
MEAN : 0  
COD : 00.00  
PRD : 00.00

COV : 00.00  
STD : 00.00  
Avg. Abs. Dev : 00.00  
MAX Sales Ratio : 00.00  
MIN Sales Ratio : 00.00

95% Median C.I. : N/A  
95% Wgt. Mean C.I. : N/A  
95% Mean C.I. : N/A

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**SALE PRICE \***

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<b>___ Low \$ Ranges ___</b>											
Less Than	5,000										
Less Than	15,000										
Less Than	30,000										
<b>___ Ranges Excl. Low \$ ___</b>											
Greater Than	4,999										
Greater Than	14,999										
Greater Than	29,999										
<b>___ Incremental Ranges ___</b>											
0 TO	4,999										
5,000 TO	14,999										
15,000 TO	29,999										
30,000 TO	59,999										
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 +											
<b>___ ALL ___</b>											



**2013 Correlation Section  
for McPherson County**

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**A. Commercial Real Property**

A commercial market does not exist in McPherson County. Tryon is located approximately 35 miles northwest of North Platte which would be the primary source for retail functions for the community and surrounding area.

There are no calculated median or qualitative measures for the commercial class of real property. There were no commercial sales within the current study period 10/01/09 to 09/30/12. McPherson County does not have a commercial market.

The assessor works to maintain a six-year cycle of physical inspection and review and keeps up with the annual appraisal maintenance. The reappraisal of all commercial properties was completed in 2012 with the assistance and expert knowledge of a contracted appraisal firm, Stanard Appraisal. For assessment year 2013 there was no assessment action within the commercial class of real property.

Based on the consideration of all available information, the level of value cannot be determined for the commercial class of real property.

**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.

## 2013 Correlation Section for McPherson County

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### C. Measures of Central Tendency

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

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

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

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

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

## 2013 Correlation Section for McPherson County

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### D. Analysis of Quality of Assessment

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

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

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

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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.

Note that as market activity changes or as the complexity of properties increases, the measures of variability usually increase, even though appraisal procedures may be equally valid. Standard on Ratio Studies—2010, International Association of Assessing Officers, (2010), p. 13.

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

**2013 Correlation Section  
for McPherson County**

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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 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.



## **2013 Agricultural Assessment Actions for McPherson County**

For assessment year 2013 within the agricultural class of real property, the pickup work was completed and any new improvements were added to the property record cards. Land use changes were updated on agricultural parcels if needed. A market study was done on the agricultural land sales in McPherson County and with sales from the surrounding counties of Hooker, Thomas, Logan, Lincoln, Keith, Arthur and Grant. From the analysis it was apparent that the grass land was driving the market and the statistical measure of central tendency was lower than the statutory level of sixty-nine to seventy-five percent for agricultural land. Therefore, it was necessary to increase the land values to meet the required level of value for the agricultural class of real property.

The farm home site values were also adjusted this year. The six-year physical inspection and review cycle for agricultural properties is ongoing; a portion of the county will be done annually when doing pickup work for new improvements. In 2012 all outbuildings (agricultural and residential) were re-priced and the property record cards were updated accordingly. Currently work is being done to re-price all homes within McPherson County using June, 2011 Marshall Swift cost indexes, the new values will applied in 2014.

## 2013 Agricultural Assessment Survey for McPherson County

1.	<b>Valuation data collection done by:</b>	
	Assessor and hired appraiser.	
2.	<b>List each market area, and describe the location and the specific characteristics that make each unique.</b>	
	Market Area	Description of unique characteristics
	1	Due to the fact, there are no differences there is only one countywide market area for McPherson County.
3.	<b>Describe the process used to determine and monitor market areas.</b>	
	Sales studies are done to see if there is a difference in the market within the county. Thus far, there have been none, so one countywide market area is sufficient.	
4.	<b>Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land.</b>	
	This area is primarily ranch land. Small acreages that are not adjoining or part of a larger ranch holding, or would not substantiate an economically feasible ranching operation are considered rural residential. As of this interview non-agricultural influences have not been identified that would cause a parcel to be considered recreational.	
5.	<b>Do farm home sites carry the same value as rural residential home sites? If not, what are the market differences?</b>	
	Yes, farm home sites are priced comparably to the residential home sites in the Village of Tryon.	
6.	<b>Describe the process used to identify and monitor the influence of non-agricultural characteristics.</b>	
	Not applicable.	
7.	<b>Have special valuation applications been filed in the county? If a value difference is recognized describe the process used to develop the uninfluenced value.</b>	
	No	
8.	<b>If applicable, describe the process used to develop assessed values for parcels enrolled in the Wetland Reserve Program.</b>	
	Not applicable.	

**60 McPherson**  
**AGRICULTURAL LAND**

**PAD 2013 R&O Statistics (Using 2013 Values)**

Qualified

Date Range: 10/1/2009 To 9/30/2012 Posted on: 1/23/2013

Number of Sales : 38  
Total Sales Price : 18,518,641  
Total Adj. Sales Price : 18,470,056  
Total Assessed Value : 11,569,211  
Avg. Adj. Sales Price : 486,054  
Avg. Assessed Value : 304,453

MEDIAN : 69  
WGT. MEAN : 63  
MEAN : 68  
COD : 21.66  
PRD : 108.57

COV : 27.42  
STD : 18.65  
Avg. Abs. Dev : 14.87  
MAX Sales Ratio : 101.01  
MIN Sales Ratio : 06.81

95% Median C.I. : 56.58 to 79.67  
95% Wgt. Mean C.I. : 57.87 to 67.41  
95% Mean C.I. : 62.08 to 73.94

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<b>DATE OF SALE *</b>										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
<u>Qtrrs</u>											
01-OCT-09 To 31-DEC-09											
01-JAN-10 To 31-MAR-10	6	83.33	81.42	80.45	05.33	101.21	67.92	90.91	67.92 to 90.91	129,083	103,846
01-APR-10 To 30-JUN-10	1	85.30	85.30	85.30	00.00	100.00	85.30	85.30	N/A	280,300	239,100
01-JUL-10 To 30-SEP-10	5	88.29	80.38	77.82	09.68	103.29	61.90	89.09	N/A	204,561	159,187
01-OCT-10 To 31-DEC-10	11	65.79	59.53	61.26	22.12	97.18	06.81	80.56	47.84 to 78.78	656,773	402,312
01-JAN-11 To 31-MAR-11	1	101.01	101.01	101.01	00.00	100.00	101.01	101.01	N/A	198,000	200,000
01-APR-11 To 30-JUN-11	2	82.02	82.02	71.82	14.76	114.20	69.91	94.12	N/A	1,082,250	777,225
01-JUL-11 To 30-SEP-11											
01-OCT-11 To 31-DEC-11	2	55.38	55.38	57.87	14.05	95.70	47.60	63.16	N/A	513,258	297,040
01-JAN-12 To 31-MAR-12	6	51.18	54.86	55.94	10.20	98.07	49.57	72.44	49.57 to 72.44	501,800	280,697
01-APR-12 To 30-JUN-12	4	58.10	62.26	52.49	21.46	118.61	47.54	85.29	N/A	692,035	363,239
01-JUL-12 To 30-SEP-12											
<u>Study Yrs</u>											
01-OCT-09 To 30-SEP-10	12	83.33	81.31	79.81	07.63	101.88	61.90	90.91	73.53 to 89.09	173,134	138,176
01-OCT-10 To 30-SEP-11	14	68.65	65.70	64.46	23.13	101.92	06.81	101.01	50.39 to 80.56	684,786	441,420
01-OCT-11 To 30-SEP-12	12	52.36	57.41	54.83	15.39	104.71	47.54	85.29	49.57 to 64.16	567,121	310,935
<u>Calendar Yrs</u>											
01-JAN-10 To 31-DEC-10	23	77.88	70.89	65.40	17.35	108.39	06.81	90.91	65.79 to 83.33	404,439	264,502
01-JAN-11 To 31-DEC-11	5	69.91	75.16	69.30	24.13	108.46	47.60	101.01	N/A	677,803	469,706
<u>ALL</u>	38	68.65	68.01	62.64	21.66	108.57	06.81	101.01	56.58 to 79.67	486,054	304,453

<b>AREA (MARKET)</b>										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
Blank	38	68.65	68.01	62.64	21.66	108.57	06.81	101.01	56.58 to 79.67	486,054	304,453
<u>ALL</u>	38	68.65	68.01	62.64	21.66	108.57	06.81	101.01	56.58 to 79.67	486,054	304,453

<b>95%MLU By Market Area</b>										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
<u>Grass</u>											
County	35	68.80	69.00	62.32	21.83	110.72	06.81	101.01	61.90 to 80.56	449,336	280,016
Blank	35	68.80	69.00	62.32	21.83	110.72	06.81	101.01	61.90 to 80.56	449,336	280,016
<u>ALL</u>	38	68.65	68.01	62.64	21.66	108.57	06.81	101.01	56.58 to 79.67	486,054	304,453

**60 McPherson**  
**AGRICULTURAL LAND**

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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
<b>_____Irrigated_____</b>											
County	1	52.04	52.04	52.04	00.00	100.00	52.04	52.04	N/A	399,889	208,100
Blank	1	52.04	52.04	52.04	00.00	100.00	52.04	52.04	N/A	399,889	208,100
<b>_____Grass_____</b>											
County	35	68.80	69.00	62.32	21.83	110.72	06.81	101.01	61.90 to 80.56	449,336	280,016
Blank	35	68.80	69.00	62.32	21.83	110.72	06.81	101.01	61.90 to 80.56	449,336	280,016
<b>_____ALL_____</b>	<b>38</b>	<b>68.65</b>	<b>68.01</b>	<b>62.64</b>	<b>21.66</b>	<b>108.57</b>	<b>06.81</b>	<b>101.01</b>	<b>56.58 to 79.67</b>	<b>486,054</b>	<b>304,453</b>

## McPherson County 2013 Average Acre Value Comparison

County	Mkt Area	1A1	1A	2A1	2A	3A1	3A	4A1	4A	AVG IRR
McPherson	1	N/A	N/A	1,000	1,000	N/A	1,000	1,000	1,000	1,000
Hooker	1	N/A	1,000	1,000						
Thomas	1	N/A	N/A	1,000	1,000	N/A	1,000	1,000	1,000	1,000
Logan	1	N/A	1,950	1,790	1,790	1,365	1,365	1,260	1,260	1,558
Lincoln	2	1,350	1,350	1,335	1,350	1,350	1,330	1,345	1,344	1,344
Keith	1	N/A	1,000	N/A	1,000	1,000	1,000	1,000	1,000	1,000
Arthur	1	N/A	N/A	1,000	N/A	1,000	1,000	1,000	1,000	1,000
Grant	1	N/A	N/A	N/A	N/A	N/A	1,000	1,000	1,000	1,000

County	Mkt Area	1D1	1D	2D1	2D	3D1	3D	4D1	4D	AVG DRY
McPherson	1	N/A	N/A	N/A	375	N/A	375	375	375	375
Hooker	1	N/A								
Thomas	1	N/A								
Logan	1	N/A	770	730	730	670	540	525	525	643
Lincoln	2	480	480	480	480	480	480	480	480	480
Keith	1	N/A	450	N/A	450	400	400	375	375	405
Arthur	1	N/A								
Grant	1	N/A								

County	Mkt Area	1G1	1G	2G1	2G	3G1	3G	4G1	4G	AVG GRASS
McPherson	1	N/A	N/A	250	250	N/A	250	250	250	250
Hooker	1	N/A	N/A	N/A	N/A	240	240	240	240	240
Thomas	1	N/A	N/A	260	260	N/A	260	260	260	260
Logan	1	N/A	315	315	315	315	315	315	315	315
Lincoln	2	320	320	320	320	320	290	290	290	290
Keith	1	N/A	323	N/A	291	281	270	257	256	256
Arthur	1	N/A	N/A	245	N/A	245	245	245	245	245
Grant	1	N/A	N/A	N/A	N/A	N/A	245	245	245	245

Source: 2013 Abstract of Assessment, Form 45, Schedule IX



## 2013 Correlation Section for McPherson County

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### A. Agricultural Land

McPherson County is part of the Nebraska Sand Hills. The counties in this region have similar soil characteristics, the most commonly referenced soils are the Valentine series, Ipage series, Els series, and Dunday series. However, an obvious difference between the counties would be the lack of meadows and rougher terrain with longer rooted grasses since the distance to ground water is greater, which is typical of Hooker, Logan, McPherson and Thomas counties.

McPherson County is divided by two natural resource districts; approximately one-third of the county on the east is in the Upper Loup Natural Resource District while the remainder of the county is in the Twin Platte Natural Resource District. The Upper Loup has a small area that has moratoriums and restrictions, but part of the district has a 2500 acre annual new well maximum.

Good roads and proximity to the sale barns are an attribute that affects the local grass markets. The primary roads through McPherson County are highway 92 running east to west and highway 97 going north to south.

The statistical sample is not proportionate among each year of the study period; the statistical measures are being skewed toward the second and third years of the study period and may cause McPherson County to be compared to a different time standard than others. Comparable sales were looked for in the surrounding counties of Hooker, Thomas, Logan, Lincoln (market area 2), Keith (market area 1), and Grant counties. The expanded sample was then considered adequate and proportionate and there was not a difference of more than 10 percentage points between each year.

The analysis, based on a sample of 38 sales, demonstrated the overall median to be 68.65% with a coefficient of dispersion of 21.66. However, within the subclass Majority Land Use (MLU) greater than 95% strata grass the median is shown to be 68.80% (69% rounded) utilizing 35 sales. The median for the subclass MLU greater than 95% strata grass will be given the most consideration in determining the level of value for McPherson County since the makeup of the county is 96% grass, 3% irrigated and 1% dry.

Since the number of sales across the sand hills depends on the supply of land, most of the sand hills appear to be subject to the same motivational factors driving the market in this region. Many of the sales are shared between the counties to develop reliability in their data and make well informed decisions that will create uniform and proportionate assessments within and across county lines. Grass values in McPherson County increased approximately 2% for 2013, and based on an analysis of more current sales and the intensified market for irrigated and dry land the values were changed for these agricultural classes to recognize the movement in the market.

Based on the consideration of all available information, the level of value is determined to be 69% of market value for the agricultural land class of property.

There are no non-binding recommendations for adjustment made for the agricultural class of  
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**2013 Correlation Section  
for McPherson County**

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property in McPherson County.

**B. Analysis of Sales Verification**

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## 2013 Correlation Section for McPherson County

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**2013 Correlation Section  
for McPherson County**

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

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

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



<b>Total Real Property</b> Sum Lines 17, 25, & 30	<b>Records : 1,591</b>	<b>Value : 161,730,005</b>	<b>Growth 288,452</b>	<b>Sum Lines 17, 25, &amp; 41</b>
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Schedule I : Non-Agricultural Records

	Urban		SubUrban		Rural		Total		Growth
	Records	Value	Records	Value	Records	Value	Records	Value	
<b>01. Res UnImp Land</b>	0	0	0	0	31	107,769	31	107,769	
<b>02. Res Improve Land</b>	0	0	0	0	89	309,383	89	309,383	
<b>03. Res Improvements</b>	0	0	0	0	92	3,730,732	92	3,730,732	
<b>04. Res Total</b>	0	0	0	0	123	4,147,884	123	4,147,884	26,580
<b>% of Res Total</b>	0.00	0.00	0.00	0.00	100.00	100.00	7.73	2.56	9.21
<b>05. Com UnImp Land</b>	0	0	0	0	4	10,597	4	10,597	
<b>06. Com Improve Land</b>	0	0	0	0	8	35,585	8	35,585	
<b>07. Com Improvements</b>	0	0	0	0	8	517,233	8	517,233	
<b>08. Com Total</b>	0	0	0	0	12	563,415	12	563,415	0
<b>% of Com Total</b>	0.00	0.00	0.00	0.00	100.00	100.00	0.75	0.35	0.00
<b>09. Ind UnImp Land</b>	0	0	0	0	0	0	0	0	
<b>10. Ind Improve Land</b>	0	0	0	0	0	0	0	0	
<b>11. Ind Improvements</b>	0	0	0	0	0	0	0	0	
<b>12. Ind Total</b>	0	0	0	0	0	0	0	0	0
<b>% of Ind Total</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>13. Rec UnImp Land</b>	0	0	0	0	0	0	0	0	
<b>14. Rec Improve Land</b>	0	0	0	0	0	0	0	0	
<b>15. Rec Improvements</b>	0	0	0	0	0	0	0	0	
<b>16. Rec Total</b>	0	0	0	0	0	0	0	0	0
<b>% of Rec Total</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Res &amp; Rec Total</b>	0	0	0	0	123	4,147,884	123	4,147,884	26,580
<b>% of Res &amp; Rec Total</b>	0.00	0.00	0.00	0.00	100.00	100.00	7.73	2.56	9.21
<b>Com &amp; Ind Total</b>	0	0	0	0	12	563,415	12	563,415	0
<b>% of Com &amp; Ind Total</b>	0.00	0.00	0.00	0.00	100.00	100.00	0.75	0.35	0.00
<b>17. Taxable Total</b>	0	0	0	0	135	4,711,299	135	4,711,299	26,580
<b>% of Taxable Total</b>	0.00	0.00	0.00	0.00	100.00	100.00	8.49	2.91	9.21

Schedule II : Tax Increment Financing (TIF)

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

Schedule III : Mineral Interest Records

Mineral Interest	Records	Urban Value	Records	SubUrban Value	Records	Rural Value	Records	Total Value	Growth
23. Producing	0	0	0	0	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	0	1	33	34

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	0	0	0	0	1,278	126,146,296	1,278	126,146,296
28. Ag-Improved Land	0	0	0	0	172	22,163,877	172	22,163,877
29. Ag Improvements	0	0	0	0	178	8,708,533	178	8,708,533
30. Ag Total							1,456	157,018,706

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	0	0.00	0	
33. HomeSite Improvements	0	0.00	0	0	0.00	0	
34. HomeSite Total							
35. FarmSite UnImp Land	0	0.00	0	0	0.00	0	
36. FarmSite Improv Land	0	0.00	0	0	0.00	0	
37. FarmSite Improvements	0	0.00	0	0	0.00	0	
38. FarmSite Total							
39. Road & Ditches	0	0.00	0	0	0.00	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
	Rural			Total			
	Records	Acres	Value	Records	Acres	Value	
31. HomeSite UnImp Land	1	1.00	2,900	1	1.00	2,900	
32. HomeSite Improv Land	126	145.00	420,500	126	145.00	420,500	
33. HomeSite Improvements	116	132.00	6,597,080	116	132.00	6,597,080	261,872
34. HomeSite Total				<b>117</b>	<b>146.00</b>	<b>7,020,480</b>	
35. FarmSite UnImp Land	3	9.00	4,900	3	9.00	4,900	
36. FarmSite Improv Land	167	575.00	152,150	167	575.00	152,150	
37. FarmSite Improvements	175	0.00	2,111,453	175	0.00	2,111,453	0
38. FarmSite Total				<b>178</b>	<b>584.00</b>	<b>2,268,503</b>	
39. Road & Ditches	0	1,546.49	0	0	1,546.49	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
41. Total Section VI				<b>295</b>	<b>2,276.49</b>	<b>9,288,983</b>	<b>261,872</b>

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

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

Schedule VIII : Agricultural Records : Special Value

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

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

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 1

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	0.00	0.00%	0	0.00%	0.00
46. 1A	0.00	0.00%	0	0.00%	0.00
47. 2A1	55.00	0.38%	55,000	0.38%	1,000.00
48. 2A	1,218.93	8.38%	1,218,930	8.38%	1,000.00
49. 3A1	0.00	0.00%	0	0.00%	0.00
50. 3A	3,608.43	24.81%	3,608,430	24.81%	1,000.00
51. 4A1	4,577.98	31.48%	4,577,980	31.48%	1,000.00
52. 4A	5,081.60	34.94%	5,081,600	34.94%	1,000.00
<b>53. Total</b>	<b>14,541.94</b>	<b>100.00%</b>	<b>14,541,940</b>	<b>100.00%</b>	<b>1,000.00</b>
<b>Dry</b>					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	0.00	0.00%	0	0.00%	0.00
56. 2D1	0.00	0.00%	0	0.00%	0.00
57. 2D	616.80	21.21%	231,301	21.21%	375.00
58. 3D1	0.00	0.00%	0	0.00%	0.00
59. 3D	609.00	20.94%	228,376	20.94%	375.00
60. 4D1	658.30	22.64%	246,865	22.64%	375.00
61. 4D	1,024.20	35.22%	384,079	35.22%	375.00
<b>62. Total</b>	<b>2,908.30</b>	<b>100.00%</b>	<b>1,090,621</b>	<b>100.00%</b>	<b>375.00</b>
<b>Grass</b>					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	0.00	0.00%	0	0.00%	0.00
65. 2G1	251.00	0.05%	62,750	0.05%	250.00
66. 2G	4,005.40	0.76%	1,001,351	0.76%	250.00
67. 3G1	0.00	0.00%	0	0.00%	0.00
68. 3G	21,131.51	4.00%	5,282,878	4.00%	250.00
69. 4G1	50,152.69	9.49%	12,538,175	9.49%	250.00
70. 4G	452,686.91	85.70%	113,171,739	85.70%	250.00
<b>71. Total</b>	<b>528,227.51</b>	<b>100.00%</b>	<b>132,056,893</b>	<b>100.00%</b>	<b>250.00</b>
<hr/>					
<b>Irrigated Total</b>	<b>14,541.94</b>	<b>2.65%</b>	<b>14,541,940</b>	<b>9.84%</b>	<b>1,000.00</b>
<b>Dry Total</b>	<b>2,908.30</b>	<b>0.53%</b>	<b>1,090,621</b>	<b>0.74%</b>	<b>375.00</b>
<b>Grass Total</b>	<b>528,227.51</b>	<b>96.09%</b>	<b>132,056,893</b>	<b>89.39%</b>	<b>250.00</b>
72. Waste	4,026.93	0.73%	40,269	0.03%	10.00
73. Other	0.00	0.00%	0	0.00%	0.00
74. Exempt	13.63	0.00%	0	0.00%	0.00
<b>75. Market Area Total</b>	<b>549,704.68</b>	<b>100.00%</b>	<b>147,729,723</b>	<b>100.00%</b>	<b>268.74</b>

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
<b>76. Irrigated</b>	0.00	0	0.00	0	14,541.94	14,541,940	14,541.94	14,541,940
<b>77. Dry Land</b>	0.00	0	0.00	0	2,908.30	1,090,621	2,908.30	1,090,621
<b>78. Grass</b>	0.00	0	0.00	0	528,227.51	132,056,893	528,227.51	132,056,893
<b>79. Waste</b>	0.00	0	0.00	0	4,026.93	40,269	4,026.93	40,269
<b>80. Other</b>	0.00	0	0.00	0	0.00	0	0.00	0
<b>81. Exempt</b>	0.00	0	0.00	0	13.63	0	13.63	0
<b>82. Total</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>549,704.68</b>	<b>147,729,723</b>	<b>549,704.68</b>	<b>147,729,723</b>

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
<b>Irrigated</b>	14,541.94	2.65%	14,541,940	9.84%	1,000.00
<b>Dry Land</b>	2,908.30	0.53%	1,090,621	0.74%	375.00
<b>Grass</b>	528,227.51	96.09%	132,056,893	89.39%	250.00
<b>Waste</b>	4,026.93	0.73%	40,269	0.03%	10.00
<b>Other</b>	0.00	0.00%	0	0.00%	0.00
<b>Exempt</b>	13.63	0.00%	0	0.00%	0.00
<b>Total</b>	<b>549,704.68</b>	<b>100.00%</b>	<b>147,729,723</b>	<b>100.00%</b>	<b>268.74</b>

## 2013 County Abstract of Assessment for Real Property, Form 45 Compared with the 2012 Certificate of Taxes Levied (CTL)

60 McPherson

	2012 CTL County Total	2013 Form 45 County Total	Value Difference (2013 form 45 - 2012 CTL)	Percent Change	2013 Growth (New Construction Value)	Percent Change excl. Growth
01. Residential	4,099,805	4,147,884	48,079	1.17%	26,580	0.52%
02. Recreational	0	0	0		0	
03. Ag-Homesite Land, Ag-Res Dwelling	6,762,316	7,020,480	258,164	3.82%	261,872	-0.05%
<b>04. Total Residential (sum lines 1-3)</b>	<b>10,862,121</b>	<b>11,168,364</b>	<b>306,243</b>	<b>2.82%</b>	<b>288,452</b>	<b>0.16%</b>
05. Commercial	590,635	563,415	-27,220	-4.61%	0	-4.61%
06. Industrial	0	0	0		0	
07. Ag-Farmsite Land, Outbuildings	2,162,487	2,268,503	106,016	4.90%	0	4.90%
08. Minerals	0	0	0		0	
<b>09. Total Commercial (sum lines 5-8)</b>	<b>2,753,122</b>	<b>2,831,918</b>	<b>78,796</b>	<b>2.86%</b>	<b>0</b>	<b>2.86%</b>
<b>10. Total Non-Agland Real Property</b>	<b>13,615,243</b>	<b>14,000,282</b>	<b>385,039</b>	<b>2.83%</b>	<b>288,452</b>	<b>0.71%</b>
11. Irrigated	7,096,113	14,541,940	7,445,827	104.93%		
12. Dryland	847,614	1,090,621	243,007	28.67%		
13. Grassland	129,388,384	132,056,893	2,668,509	2.06%		
14. Wasteland	40,269	40,269	0	0.00%		
15. Other Agland	0	0	0			
<b>16. Total Agricultural Land</b>	<b>137,372,380</b>	<b>147,729,723</b>	<b>10,357,343</b>	<b>7.54%</b>		
<b>17. Total Value of all Real Property</b> (Locally Assessed)	<b>150,987,623</b>	<b>161,730,005</b>	<b>10,742,382</b>	<b>7.11%</b>	<b>288,452</b>	<b>6.92%</b>

McPHERSON COUNTY  
2012 PLAN OF ASSESSMENT  
(FOR THE YEARS 2013, 2014, 2015)

Nebraska State Law establishes the framework within which the assessor must operate. However, a real property assessment system requires that an operation or procedure be done completely and in a uniform manner each time it is repeated. Accurate and efficient assessment practices represent prudent expenditure of tax monies, establishes taxpayer confidence in local government and enables the local government to serve its citizens more effectively. The important role the assessment practices play in local government cannot be overstated.

Pursuant to Neb. Laws 2005, LB263, Section 9, on or before June 15 each year, the assessor shall prepare a plan of assessment which describes the assessment actions planned for the next assessment year and the 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 amendment shall be mailed to the Department of Property Assessment and Taxation on or before October 31 each year.

General Description of the County:

McPherson County has 1,604 parcels of taxable real property and 34 parcels of exempt property. The residential parcel count is approximately 7% of the total taxable parcels, commercial is 1% and agricultural is 90%. Exempt parcels represent 2% of the total county parcels.

The taxable value of real property in the County for the 2012 year was \$150,985,367 with approximately 2.7% attributed to residential .039% to Commercial and 97.26% to agricultural.

McPherson County has 549,707.68 acres of taxable agricultural land. Of that 96% consists primarily of grassland. For assessment 2012, there were 5 building permits and/or information statements filed for new property construction and additions to existing improvements in the county.

Staff/Training/Budget

Due to the population of the county, the McPherson County Clerk is required to be an ex-officio County official, who must also hold the office of Assessor, Register of Deeds, Clerk of District Court and Election Commissioner. A valid Nebraska Assessor's Certificate is required in order to file for or assume the elected position of County Clerk. Statutes also now require the completion of 60 hours of continuing education within the four year term of office, in order to hold the Assessor's Certificate.

The County Clerk/Assessor has held this position since being elected in 1982 and assuming the office in 1983. The office has one employee who helps with all the many duties of the County Clerk's position. Due to the combination of the many offices and duties, it is impossible for the County Clerk to devote 100% of her time to the duties of assessing. Each office held has its own share of duties, reports and deadlines which must be met. The County Clerk is also responsible for conducting the County Elections on election years.

The Assessor has contracted with Appraiser Darrell Stanard, to review sold properties, complete the annual pick-up work, analyze the statistical measures used by the Department of Property Assessment and Taxation, & provide opinions of the planned actions to be taken by the Assessor's office for the current assessment of all county real property.

Normal office hours are 35 hours a week, normal working hours for the County Clerk are 50 hours a week. The Clerk/Assessor has attended IAAO courses and attends the annual workshops & training provided by the Department of Property Assessment & Taxation. The Assessor's general budget for 2012-2013 is \$30,020 including \$6,306 for Appraisal Fees.

### Responsibilities

#### Record Maintenance/Procedure Manual

The record cards are in hardcopy format and they contain the required information such as ownership, legal description, classification codes, building lists and measurements, parcel identification number, land size, value and annual value posting. The records also show any splits or sales of the parcel including the book and page of the transferring deed and prior owner. Current pictures and land summary is included on each record. The record cards are also in an electronic format.

#### Mapping/Software

The County has contracted with ASI/Terra Scan computer services through the Department of Revenue. All residential improvements have been entered into the CAMA program. Future plans are to utilize the sketching program. Sales have been entered into the sales file on the system and statistical information is received from the Department of Revenue. The County has a set of cadastral maps dated 1955 which have not been fully utilized, however the assessor does have 2 large wall maps on which ownership and splits are kept current. Zoning was adopted in McPherson County in 2000. The Village of Tryon is unincorporated but was included in the transition area of the Comprehensive Plan.

### Reports

Assessor is responsible for the timely filings of the additional following schedules & reports:

Personal Property	Certificate of Taxes Levied
County Abstract	Generate the County Tax Roll
Certification of Values to Subdivisions	Tax List Corrections as needed
School District Taxable Value Report	Administer Homestead Exemptions

### Sales Review

The Assessor considers all sales to be arm's length, unless through the verification process, it is proven to be otherwise. Along with her personal knowledge, the sales are verified with the buyer if at all possible; the seller or real estate agent may also be contacted if the buyer cannot be reached. Most of the verification is done by personal contact or by telephone. Since the Assessor is also the Register of Deeds, any special financing arrangements are known to her at the time the Deed and Mortgages are filed in her office. If the sale involves personal property or is an outlying sale, an extended effort is made to verify the sale. No sale is qualified or disqualified based on a particular percentage above or below the acceptable range. The Real Estate Transfer Statements are completed on a monthly basis and filed timely with the Department of Revenue.

### County Progress for the Three Property Classes:

**Residential:** A county-wide inspection & review was completed on all residential properties and mobile homes in 2011. It consisted of data collection and new pictures as needed. A new depreciation schedule, derived from the sales is in progress, and will be applied to all residences and mobile homes in the County. The RCN will be updated, using the June/2011 Marshall Swift costing index. Applied new reappraisal values to all rural and residential outbuildings in the county. Property record cards were updated. Market studies are done each year on Residential Property sales. Adjustments are made, if needed, or a county wide revaluation will be implemented if warranted.

Commercial: There are a total of 9 Commercial properties in McPherson County. A reappraisal of all commercial property in the county, was conducted by Appraiser Darrell Stanard, with the new values being applied to all commercial property. New listings were made with re-measuring and new data collected, and property cards were updated. Pictures of the commercial property were also updated. Market studies are done each year on any Commercial Property sales.

Agricultural:

The new 2009 soil survey was implemented in 2010. Soil types and land valuation groups are entered and captured on the Terra Scan Computer system. The County has established one market area for the entire county. Market studies are done on all agricultural sales each year. Land usage for all ag parcels were reviewed & updated as needed. Land values were set based on market value. Applied new reappraisal values to all rural and residential outbuildings in the county. Property record cards were updated.

Pickup Work:

New Improvements are added to the tax roll each year. Publications are made each year in the local paper informing patrons of the need to report new and improved structures. Building permits are required for all residential improvements and all other non-Ag improvements. Information Statements are also received in the Assessor's office for any new improvements. Pickup work commences as soon as the project is reported and all values are established for the new improvements in a timely manner each year prior to the March 19<sup>th</sup> deadline.

Future Appraisal Plans:

- 2013: Add new improvements to the property record cards. The new soil survey & conversion has been implemented. Terra Scan records & Property Record cards were updated with the new information. A county-wide inspection & review was completed on all residential properties and mobile homes. It consisted of data collection and new pictures as needed. Completed Reappraisal process on all homes and mobile homes in the County. Apply new values, based on a new residential depreciation schedule compiled, using the updated RCN of June/2011 Marshall Swift costing index. Review market study on mobile homes & acreages, and residential properties and set values accordingly. Conduct a market study on all classes of Agricultural land, (dryland, irrigated & grass) and set values to be within compliance of the statutory statistical requirements. Conduct ongoing visual inspection of McPherson County properties when picking up new improvements.
- 2014: Add new improvements to the property record cards. Conduct a market study on all classes of Agricultural land and set the values to be within the required statistical measures. Review sales study on mobile homes and residential property. Conduct ongoing visual inspection of McPherson County property when picking up new improvements.
- 2015: Add new improvements to the property record cards. Review sales statistical measures to determine if any adjustments are needed to bring county residential properties into the required range of value. Conduct a market study on Agricultural land ( dryland, grassland and irrigated) and set values accordingly. Conduct ongoing visual inspection of McPherson County property when picking up new improvements.

These are tentative plans. Some of the reappraisals and adjustments to property classes may be done sooner if the market dictates changes need to be done earlier than planned.

This report is submitted June 11, 2012.

JUDY M. DAILEY

McPherson County Clerk/Assessor

## 2013 Assessment Survey for McPherson County

### A. Staffing and Funding Information

1.	<b>Deputy(ies) on staff:</b>
	0
2.	<b>Appraiser(s) on staff:</b>
	0
3.	<b>Other full-time employees:</b>
	1
4.	<b>Other part-time employees:</b>
	0
5.	<b>Number of shared employees:</b>
	0
6.	<b>Assessor's requested budget for current fiscal year:</b>
	\$ 30,020
7.	<b>Adopted budget, or granted budget if <i>different from above</i>:</b>
	same
8.	<b>Amount of the total assessor's budget set aside for appraisal work:</b>
	\$ 6,306
9.	<b>If appraisal/reappraisal budget is a separate levied fund, what is that amount:</b>
	Not applicable.
10.	<b>Part of the assessor's budget that is dedicated to the computer system:</b>
	\$ 4,000
11.	<b>Amount of the assessor's budget set aside for education/workshops:</b>
	\$ 851
12.	<b>Other miscellaneous funds:</b>
	\$ 18,863
13.	<b>Amount of last year's assessor's budget not used:</b>
	\$ 11,717

## B. Computer, Automation Information and GIS

1.	<b>Administrative software:</b>
	TerraScan owned by Thomson Reuters
2.	<b>CAMA software:</b>
	TerraScan owned by Thomson Reuters
3.	<b>Are cadastral maps currently being used?</b>
	No – a wall map is updated and kept current.
4.	<b>If so, who maintains the Cadastral Maps?</b>
	Not applicable.
5.	<b>Does the county have GIS software?</b>
	No – the Web Soil Survey/Natural Resource Conservation Service was used.
6.	<b>Is GIS available to the public? If so, what is the web address?</b>
	Not applicable.
7.	<b>Who maintains the GIS software and maps?</b>
	Not applicable.
8.	<b>Personal Property software:</b>
	TerraScan owned by Thomson Reuters

## C. Zoning Information

1.	<b>Does the county have zoning?</b>
	Yes
2.	<b>If so, is the zoning countywide?</b>
	Yes
3.	<b>What municipalities in the county are zoned?</b>
	The unincorporated Village of Tryon has been zoned as a transitional area including a two mile radius around the village, the remainder of the county is zoned agricultural.
4.	<b>When was zoning implemented?</b>
	2000

## D. Contracted Services

1.	<b>Appraisal Services:</b> A certified appraiser will be hired when needed.
2.	<b>GIS Services:</b> None
3.	<b>Other services:</b> TerraScan

## E. Appraisal /Listing Services

1.	<b>Does the county employ outside help for appraisal or listing services?</b> Yes, when needed.
2.	<b>If so, is the appraisal or listing service performed under contract?</b> No, hired on an hourly basis.
3.	<b>What appraisal certifications or qualifications does the County require?</b> Knowledgeable in all phases of appraisal work. Familiarity with CAMA systems. Good rapport with the public.
4.	<b>Have the existing contracts been approved by the PTA?</b> No, do not have contracts.
5.	<b>Does the appraisal or listing service providers establish assessed values for the county?</b> All work will be discussed and the assessor will consider any suggestions before making the final decision of value.



# 2013 Certification for Mcpherson County

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This is to certify that the 2013 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 Mcpherson County Assessor.

Dated this 5th day of April, 2013.



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

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Ruth A. Sorensen  
Property Tax Administrator



