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2013 Commission Summary for Sarpy County

Residential Real Property - Current

Number of Sales	4105	Median	96.54
Total Sales Price	\$776,401,567	Mean	97.40
Total Adj. Sales Price	\$777,366,067	Wgt. Mean	96.96
Total Assessed Value	\$753,748,145	Average Assessed Value of the Base	\$150,354
Avg. Adj. Sales Price	\$189,371	Avg. Assessed Value	\$183,617

Confidence Interval - Current

95% Median C.I	96.38 to 96.69
95% Wgt. Mean C.I	96.75 to 97.17
95% Mean C.I	97.12 to 97.68
% of Value of the Class of all Real Property Value in the	71.78
% of Records Sold in the Study Period	7.64
% of Value Sold in the Study Period	9.33

Residential Real Property - History

Year	Number of Sales	LOV	Median
2012	4,299	96	95.94
2011	5,067	96	96
2010	5,570	97	97
2009	6,577	96	96

2013 Commission Summary for Sarpy County

Commercial Real Property - Current

Number of Sales	96	Median	97.55
Total Sales Price	\$95,764,363	Mean	97.06
Total Adj. Sales Price	\$94,693,524	Wgt. Mean	97.33
Total Assessed Value	\$92,168,543	Average Assessed Value of the Base	\$950,325
Avg. Adj. Sales Price	\$986,391	Avg. Assessed Value	\$960,089

Confidence Interval - Current

95% Median C.I	95.15 to 100.00
95% Wgt. Mean C.I	93.17 to 101.50
95% Mean C.I	94.30 to 99.82
% of Value of the Class of all Real Property Value in the County	23.79
% of Records Sold in the Study Period	3.41
% of Value Sold in the Study Period	3.44

Commercial Real Property - History

Year	Number of Sales	LOV	Median
2012	84	98	97.87
2011	139	97	97
2010	271	97	97
2009	345	96	96

2013 Opinions of the Property Tax Administrator for Sarpy 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	97	Meets generally accepted mass appraisal practices.	No recommendation.
Commercial Real Property	98	Meets generally accepted mass appraisal practices.	No recommendation.
Agricultural Land	*NEI	Meets generally accepted mass appraisal practices.	No recommendation.
Special Valuation of Agricultural Land	70	Meets generally accepted mass appraisal practices.	No recommendation.

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

Dated this 5th day of April, 2013.



Ruth A. Sorensen
Property Tax Administrator

2013 Residential Assessment Actions for Sarpy County

Sarpy County (Sarpy) assigns five appraisers specific areas to review and inspect. In deciding what areas of the county need to be re-inspected, the statistical measurements of the quality of assessment will determine that answer. The appraisers then conduct sales review and verification, physical inspections and collect data for new building permits. Inspections and reviews are based on the cyclical schedule developed by Sarpy as market indication suggests. Overall, the appraisers analyze subdivisions and other valuation groupings. This year a valuation grouping, mobile homes, was removed.

The five geographic areas of rural residential of Sarpy are a priority. Agricultural land is being platted for residential development at a high rate, demonstrating that there will be population growth in the rural areas of Sarpy. Another concentration point for Sarpy in the rural areas is that of buildings being built without permits. Sarpy is confident that their campaign to make rural owners familiar with the Improvement information Statements may ebb to this building practice.

There have been technological advances occurring in Sarpy as well. A new CAMA and tax collection software system is being introduced and is set to go live in 2013. Residential parcel photography has increased. There is also now Pictometry over-flight. Online reviews of residential property records have identified physical characteristics of individual parcels that need to be updated. Also, the availability of assessment and mapping information on the internet, as well as downloadable forms, has been hugely successful for Sarpy, as the assessor's office website receives four times the amount of visitors as any other county website.

There is an ongoing lot value study. As neighborhoods are analyzed, studies are conducted. Vacant lot sales analysis is conducted to determine land values for neighborhoods/market areas. New depreciation studies are conducted annually and the tables are updated accordingly.

Finally, in an effort to improve the collection of street-level images, Sarpy plans to educate the public about what they are doing and why. To aid in this endeavor, informational material has been created.

2013 Residential Assessment Survey for Sarpy County

1.	Valuation data collection done by:	
	Staff Appraisers	
2.	List the valuation groupings recognized by the County and describe the unique characteristics of each:	
	<u>Valuation Grouping</u>	<u>Description of unique characteristics</u>
	01	Bellevue Area
	02	Gretna Area
	03	Millard Area
	04	Omaha Area
	05	Papillion Area
	06	Springfield Area
	07	Lavista Area
	08	Recreational/Lake Area
	09	Rural Sarpy
3.	List and describe the approach(es) used to estimate the market value of residential properties.	
	Cost approach to value with market transactions used to adjust depreciation tables.	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	The most current available for the county. For 2013, the June 2012 tables are used.	
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?	
	Depreciation tables are based on local market information.	
6.	Are individual depreciation tables developed for each valuation grouping?	
	Depreciation tables are developed for the entire County as environmental and physical factors equally affect all of the county. Neighborhood sales use economic depreciation.	
7.	When were the depreciation tables last updated for each valuation grouping?	
	Depreciation studies are conducted annually.	
8.	When was the last lot value study completed for each valuation grouping?	
	Ongoing. As neighborhoods are analyzed, studies are completed.	
9.	Describe the methodology used to determine the residential lot values?	
	Employing sales verification techniques, market transactions of similar vacant lots were used to determine lot values.	
10.	How do you determine whether a sold parcel is substantially changed?	
	Verification of the sale as of the date of sale to determine what actually was purchased or sold as of the given date. A determination is made as to whether it has been modified since that date. Substantially changes are excluded from the state sales file.	

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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 : 4,105
Total Sales Price : 776,401,567
Total Adj. Sales Price : 777,366,067
Total Assessed Value : 753,748,145
Avg. Adj. Sales Price : 189,371
Avg. Assessed Value : 183,617

MEDIAN : 97
WGT. MEAN : 97
MEAN : 97
COD : 04.85
PRD : 100.45

COV : 09.29
STD : 09.05
Avg. Abs. Dev : 04.68
MAX Sales Ratio : 395.00
MIN Sales Ratio : 31.20

95% Median C.I. : 96.38 to 96.69
95% Wgt. Mean C.I. : 96.75 to 97.17
95% Mean C.I. : 97.12 to 97.68

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DATE OF SALE *

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Qtrts</u>											
01-OCT-10 To 31-DEC-10	401	96.16	96.72	96.68	04.67	100.04	81.28	117.62	95.71 to 96.61	196,807	190,274
01-JAN-11 To 31-MAR-11	321	96.83	97.49	97.27	04.90	100.23	69.90	157.91	96.27 to 97.35	183,197	178,204
01-APR-11 To 30-JUN-11	587	96.07	96.67	96.62	04.31	100.05	77.41	117.18	95.70 to 96.46	192,292	185,788
01-JUL-11 To 30-SEP-11	579	96.96	97.55	97.38	04.49	100.17	76.59	145.91	96.59 to 97.32	192,114	187,073
01-OCT-11 To 31-DEC-11	434	97.14	97.90	97.39	04.94	100.52	74.59	126.43	96.58 to 97.79	185,556	180,715
01-JAN-12 To 31-MAR-12	409	97.84	99.09	98.58	05.80	100.52	31.20	263.60	97.26 to 98.52	181,884	179,309
01-APR-12 To 30-JUN-12	729	96.24	97.07	96.28	04.72	100.82	52.09	395.00	95.87 to 96.51	188,347	181,345
01-JUL-12 To 30-SEP-12	645	96.16	97.30	96.43	04.99	100.90	74.76	267.97	95.67 to 96.53	191,168	184,347
<u>Study Yrs</u>											
01-OCT-10 To 30-SEP-11	1,888	96.46	97.09	96.97	04.56	100.12	69.90	157.91	96.27 to 96.71	191,650	185,845
01-OCT-11 To 30-SEP-12	2,217	96.60	97.67	96.95	05.09	100.74	31.20	395.00	96.38 to 96.79	187,429	181,719
<u>Calendar Yrs</u>											
01-JAN-11 To 31-DEC-11	1,921	96.69	97.35	97.13	04.62	100.23	69.90	157.91	96.46 to 96.91	189,197	183,762
<u>ALL</u>	4,105	96.54	97.40	96.96	04.85	100.45	31.20	395.00	96.38 to 96.69	189,371	183,617

VALUATION GROUPING

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
01	948	96.28	97.41	96.93	04.95	100.50	76.59	227.96	96.05 to 96.51	163,477	158,458
02	476	96.32	97.00	97.03	04.39	99.97	81.39	129.47	95.97 to 96.60	221,817	215,223
03	827	96.79	97.27	97.08	04.33	100.20	79.72	126.58	96.44 to 97.14	179,231	174,000
04	198	96.92	97.64	97.18	05.31	100.47	77.41	120.80	95.85 to 97.46	132,662	128,924
05	1,134	96.68	97.30	96.95	04.35	100.36	81.70	150.58	96.36 to 96.91	215,817	209,236
06	72	96.03	97.22	96.88	05.11	100.35	75.67	121.87	95.23 to 98.50	159,977	154,990
07	370	96.65	97.06	96.60	04.75	100.48	81.42	118.19	96.12 to 97.19	183,482	177,239
08	59	97.31	106.10	97.14	21.37	109.22	31.20	395.00	93.21 to 99.79	205,125	199,258
09	21	96.69	97.61	97.08	05.39	100.55	82.36	109.18	94.54 to 102.70	288,970	280,525
<u>ALL</u>	4,105	96.54	97.40	96.96	04.85	100.45	31.20	395.00	96.38 to 96.69	189,371	183,617

PROPERTY TYPE *

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
01	4,091	96.53	97.28	96.96	04.63	100.33	74.59	227.96	96.38 to 96.69	189,952	184,181
06	12	100.47	129.41	97.97	59.11	132.09	31.20	395.00	69.90 to 157.91	21,375	20,942
07	2	167.29	167.29	83.01	57.58	201.53	70.97	263.60	N/A	8,000	6,641
<u>ALL</u>	4,105	96.54	97.40	96.96	04.85	100.45	31.20	395.00	96.38 to 96.69	189,371	183,617

77 Sarpy
RESIDENTIAL

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SALE PRICE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
<u>Low \$ Ranges</u>												
Less Than 5,000	2	147.40	147.40	108.67	78.83	135.64	31.20	263.60	N/A	1,500	1,630	
Less Than 15,000	5	263.60	223.14	233.03	35.95	95.76	31.20	395.00	N/A	5,400	12,584	
Less Than 30,000	13	102.98	153.34	127.56	70.78	120.21	31.20	395.00	74.76 to 263.60	16,346	20,851	
<u>Ranges Excl. Low \$</u>												
Greater Than 4,999	4,103	96.54	97.38	96.96	04.80	100.43	52.09	395.00	96.38 to 96.69	189,462	183,706	
Greater Than 14,999	4,100	96.53	97.25	96.96	04.66	100.30	52.09	227.96	96.38 to 96.69	189,595	183,826	
Greater Than 29,999	4,092	96.53	97.23	96.95	04.62	100.29	52.09	150.58	96.37 to 96.68	189,920	184,134	
<u>Incremental Ranges</u>												
0 TO 4,999	2	147.40	147.40	108.67	78.83	135.64	31.20	263.60	N/A	1,500	1,630	
5,000 TO 14,999	3	267.97	273.63	248.58	29.49	110.08	157.91	395.00	N/A	8,000	19,886	
15,000 TO 29,999	8	100.47	109.72	112.20	25.13	97.79	70.97	227.96	70.97 to 227.96	23,188	26,018	
30,000 TO 59,999	13	94.18	93.36	95.24	17.23	98.03	52.09	126.42	74.59 to 116.42	58,765	55,969	
60,000 TO 99,999	193	99.11	101.50	101.14	08.24	100.36	81.49	147.10	97.64 to 100.83	86,449	87,438	
100,000 TO 149,999	1,267	96.88	97.56	97.48	04.36	100.08	76.59	150.58	96.62 to 97.15	128,336	125,107	
150,000 TO 249,999	1,843	96.35	96.92	96.92	04.18	100.00	79.72	125.49	96.22 to 96.56	191,183	185,289	
250,000 TO 499,999	762	96.06	96.36	96.20	04.68	100.17	78.46	129.47	95.69 to 96.41	310,021	298,239	
500,000 TO 999,999	14	96.77	99.77	101.19	09.18	98.60	81.92	121.16	90.28 to 113.25	608,319	615,532	
1,000,000 +												
<u>ALL</u>	4,105	96.54	97.40	96.96	04.85	100.45	31.20	395.00	96.38 to 96.69	189,371	183,617	

2013 Correlation Section for Sarpy County

A. Residential Real Property

Sarpy County (Sarpy) is located in the extreme eastern portion of the State of Nebraska (State). The State counties of Cass, Saunders, and Douglas, as well as the State of Iowa, abut Dodge, which contains 165,853 residents and is comprised of 247 square miles, making it the geographically smallest county in the State, per the Census Bureau's Population estimates Program. Sarpy is also one of twenty-five counties to have obtained population growth since 2000 and is among the top six upward trending counties in the State, ascertaining a 29.6% growth since 2000. The towns in Sarpy include Bellevue, Gretna, La Vista, Papillion, and Springfield, with Bellevue being the most populous at 50,137. Per the US Census, there are 62,215 housing units in Sarpy.

Sarpy is currently working towards full compliance with the statutorily mandated six year review requirement. The review consists of a reappraisal which necessitates a physical inspection of all properties; both exterior and interior reviews are conducted as permitted. The successful completion of the six-year residential review within the allotted time is anticipated by Sarpy.

The Department of Revenue Property Assessment Division (PAD) conducts two review processes annually. The first is a three year cyclical review in which thirty-one counties are gauged on their specific assessment practices per annum. This review verifies normal measurement trends in an effort to uncover any incongruities. Based on the findings of this review, a course of action is adopted. The last cyclical review of Sarpy's actions occurred in 2012 and it was determined at that time that measurement trends were on point and that the assessment actions adhered to professionally accepted mass appraisal standards.

The second review process is one of the sales qualifications. The last review by PAD occurred in 2012. This review inspects the non-qualified sales roster to ensure that the grounds for disqualifying sales were supported and documented. This review also involves an on-site dialogue with the assessor and a consideration of verification documentation. Sarpy has a consistent and on-going procedure for sales verification. During the verification process, the appraisal staff reviews the present use of the property and then indicates the usability of the sale. The review of Sarpy revealed that no apparent bias existed in the qualification determination, and that all arm's length sales were made available for the measurement of real property.

Sarpy uses approximately 240 neighborhoods to monitor variations in sales activity. On a broader scale, Sarpy monitors regions of the county in 9 valuation groupings. Those groupings are reported in the statistical analysis as evidence that each grouping is valued appropriately.

Sarpy contains 53,970 residential parcels. A review of Sarpy's statistical analysis revealed a total of 4,105 residential sales in the nine valuation groupings, a reduction of 194 sales from the prior year. This statistical sample is sufficiently large enough to be evaluated for measurement purposes and the overall measurement is within range. The initial analysis of a grouped together data set in a county will occasionally uncover a number appearing as an outlier; upon further review, however, that number reveals itself to be a perfectly acceptable

**2013 Correlation Section
for Sarpy County**

measurement level. The stratification by valuation groupings in Sarpy reveal that five of the nine groupings have low coefficient of dispersion (COD) measurements indicating that, on average, selling prices of properties are within a small percentage of the assessed values. Because both cost tables are updated and new depreciation schedules are calculated annually by Sarpy, the sold properties are valued in the same relation as the unsold properties. As a result, the dispersion would be relatively tightly clustered around the median. Neighborhoods in Sarpy tend to be fairly homogenous, potentially leading to low CODs as well.

The assessment practices demonstrated by Sarpy accompanied by a general overview of the statistics indicate that the level of value is within the acceptable range and the valuation groupings bear a consistent relationship to market value. Because Sarpy applies assessment practices to the sold and unsold parcels in a similar manner and updates the costing year every assessment year, the median ratio calculated from the sales file appears to represent the level of value for the residential class of property.

Based on a review of all available information, the quality of assessment of the residential class has been determined to be in compliance with general accepted mass appraisal standards. The level of value of residential property within the county is 97%.

**2013 Correlation Section
for Sarpy 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.

2013 Correlation Section for Sarpy 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.

2013 Correlation Section for Sarpy 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.

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 Sarpy County**

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 Sarpy County

Sarpy County (Sarpy) reviewed and inspected commercial properties based on the cyclical review schedule. Appraisers are responsible for conducting sale review and verification, physical inspections, data collection of new building permits, and the overall analysis of subclass inspections. Also, depreciation tables are updated with re-appraisal. Ratio studies are performed during the year to determine the level of our assessments in individual market areas. This serves as an indicator of possible inspection and re-valuation needs in a specific area and with specific occupancy codes.

Sarpy conducted a market analysis of the commercial class of property; occupancy codes with sufficient sales with levels of value outside the acceptable range were reviewed and adjusted. For this year, offices were among those properties inspected.

Because of an anticipated population growth in the rural residential areas of Sarpy, agricultural land is also being platted for commercial growth. Another concentration point for Sarpy in the rural areas is that of buildings being built without permits. Catch-up work will be required to ensure that all structures are known and inspected.

Additionally, Sarpy has spent a great deal of time gathering information and preparing for complex valuation appeals from taxpayers.

Finally, there have been technological advances occurring in Sarpy as well. A new CAMA and tax collection software system is being introduced and is set to go live in 2013. Companies such as LoopNet and CoStar are being utilized to estimate market value of commercial properties, in addition to the income and cost approaches and surveys.

2013 Commercial Assessment Survey for Sarpy County

1.	Valuation data collection done by:
	Staff Appraisers
2.	List the valuation groupings recognized in the County and describe the unique characteristics of each:
	Detailed in the Marshall & Swift occupancy code. Examples: regional shopping center, service garage, storage warehouses
3.	List and describe the approach(es) used to estimate the market value of commercial properties.
	The income and cost approaches, with more emphasis on the income approach. Other tools used include LoopNet, CoStar, and surveys.
3a.	Describe the process used to determine the value of unique commercial properties.
	Same as (3) with the addition of the sales comparison approach, using comparable sales from a broad area outside of the County.
4.	What is the costing year of the cost approach being used for each valuation grouping?
	The costing year is up to date and based on the reappraisal occupancy code. For example, offices were reappraised for 2013 using the June 2012 costing tables.
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?
	While the cost approach is seldom used to establish values, the CAMA vendor (TerraScan) tables are used.
6.	Are individual depreciation tables developed for each valuation grouping?
	Yes, TerraScan has different depreciation tables for each occupancy code.
7.	When were the depreciation tables last updated for each valuation grouping?
	As often as TerraScan updates the tables. Tables are updated with re-appraisal.
8.	When was the last lot value study completed for each valuation grouping?
	Lot value studies are done by geographic area and land sheets are kept, except for multifamily, which are done in conjunction with reappraisals. Market value for commercial lots has remained constant in the County.
9.	Describe the methodology used to determine the commercial lot values.
	Sales comparison approach, while considering size, shape, location, and zoning.
10.	How do you determine whether a sold parcel is substantially changed?
	Sales verification is done by contacting the buyer and seller along with a field inspection to determine if buildings are reasonably the same. Examples of substantial changes after a sale include occupancy code changed, buildings razed, remodel, addition, and change in property condition.

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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 : 96
Total Sales Price : 95,764,363
Total Adj. Sales Price : 94,693,524
Total Assessed Value : 92,168,543
Avg. Adj. Sales Price : 986,391
Avg. Assessed Value : 960,089

MEDIAN : 98
WGT. MEAN : 97
MEAN : 97
COD : 08.76
PRD : 99.72

COV : 14.23
STD : 13.81
Avg. Abs. Dev : 08.55
MAX Sales Ratio : 172.14
MIN Sales Ratio : 53.33

95% Median C.I. : 95.15 to 100.00
95% Wgt. Mean C.I. : 93.17 to 101.50
95% Mean C.I. : 94.30 to 99.82

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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-OCT-09 To 31-DEC-09	8	100.00	98.32	95.15	04.28	103.33	86.80	106.25	86.80 to 106.25	439,059	417,775
01-JAN-10 To 31-MAR-10	6	96.83	94.22	89.52	05.73	105.25	83.51	100.00	83.51 to 100.00	632,667	566,333
01-APR-10 To 30-JUN-10	8	100.00	98.41	96.27	03.27	102.22	88.89	104.76	88.89 to 104.76	506,516	487,625
01-JUL-10 To 30-SEP-10	6	98.41	98.37	97.67	03.71	100.72	92.17	104.62	92.17 to 104.62	382,917	374,005
01-OCT-10 To 31-DEC-10	6	93.98	96.57	92.88	04.70	103.97	90.89	108.57	90.89 to 108.57	1,745,000	1,620,833
01-JAN-11 To 31-MAR-11	3	92.31	92.29	94.97	09.37	97.18	79.31	105.26	N/A	298,333	283,333
01-APR-11 To 30-JUN-11	9	97.83	95.00	92.52	08.02	102.68	72.12	114.57	85.57 to 100.00	2,217,361	2,051,475
01-JUL-11 To 30-SEP-11	7	98.11	102.44	98.29	05.88	104.22	95.83	120.69	95.83 to 120.69	1,696,029	1,667,071
01-OCT-11 To 31-DEC-11	13	97.15	96.86	105.83	12.53	91.52	58.10	118.89	86.34 to 113.33	1,173,309	1,241,708
01-JAN-12 To 31-MAR-12	7	96.24	98.17	96.46	09.50	101.77	79.14	120.00	79.14 to 120.00	997,500	962,143
01-APR-12 To 30-JUN-12	13	95.08	92.22	94.02	07.34	98.09	69.34	104.39	80.13 to 101.41	703,866	661,779
01-JUL-12 To 30-SEP-12	10	100.00	101.48	109.90	18.74	92.34	53.33	172.14	81.76 to 127.49	645,620	709,520
<u>Study Yrs</u>											
01-OCT-09 To 30-SEP-10	28	100.00	97.48	94.34	04.18	103.33	83.51	106.25	95.15 to 100.00	487,789	460,187
01-OCT-10 To 30-SEP-11	25	96.81	97.13	94.25	07.24	103.06	72.12	120.69	93.55 to 100.00	1,727,738	1,628,311
01-OCT-11 To 30-SEP-12	43	96.24	96.74	101.94	12.35	94.90	53.33	172.14	92.61 to 100.00	880,046	897,105
<u>Calendar Yrs</u>											
01-JAN-10 To 31-DEC-10	26	98.48	97.01	93.46	04.65	103.80	83.51	108.57	94.03 to 100.00	792,909	741,078
01-JAN-11 To 31-DEC-11	32	97.49	97.13	98.23	09.67	98.88	58.10	120.69	92.31 to 100.00	1,499,264	1,472,656
<u>ALL</u>	96	97.55	97.06	97.33	08.76	99.72	53.33	172.14	95.15 to 100.00	986,391	960,089

VALUATION GROUPING										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
01	96	97.55	97.06	97.33	08.76	99.72	53.33	172.14	95.15 to 100.00	986,391	960,089
<u>ALL</u>	96	97.55	97.06	97.33	08.76	99.72	53.33	172.14	95.15 to 100.00	986,391	960,089

PROPERTY TYPE *										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
02	10	98.73	99.30	92.13	08.94	107.78	84.75	127.49	85.57 to 109.43	1,318,200	1,214,500
03	59	99.31	97.84	96.40	07.93	101.49	58.10	172.14	95.08 to 100.00	783,488	755,312
04	27	96.81	94.52	100.49	10.00	94.06	53.33	118.89	90.41 to 100.00	1,306,879	1,313,338
<u>ALL</u>	96	97.55	97.06	97.33	08.76	99.72	53.33	172.14	95.15 to 100.00	986,391	960,089

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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	2	101.67	101.67	101.25	01.64	100.41	100.00	103.33	N/A	8,000	8,100	
Less Than 30,000	2	101.67	101.67	101.25	01.64	100.41	100.00	103.33	N/A	8,000	8,100	
<u>Ranges Excl. Low \$</u>												
Greater Than 4,999	96	97.55	97.06	97.33	08.76	99.72	53.33	172.14	95.15 to 100.00	986,391	960,089	
Greater Than 14,999	94	97.30	96.96	97.33	08.89	99.62	53.33	172.14	95.08 to 100.00	1,007,208	980,344	
Greater Than 29,999	94	97.30	96.96	97.33	08.89	99.62	53.33	172.14	95.08 to 100.00	1,007,208	980,344	
<u>Incremental Ranges</u>												
0 TO 4,999												
5,000 TO 14,999	2	101.67	101.67	101.25	01.64	100.41	100.00	103.33	N/A	8,000	8,100	
15,000 TO 29,999												
30,000 TO 59,999	2	100.00	100.00	100.00	00.00	100.00	100.00	100.00	N/A	50,000	50,000	
60,000 TO 99,999	6	100.00	103.26	103.48	04.11	99.79	97.44	120.69	97.44 to 120.69	79,083	81,833	
100,000 TO 149,999	5	100.00	92.33	91.68	07.67	100.71	69.34	100.00	N/A	125,000	114,600	
150,000 TO 249,999	16	96.40	92.45	92.11	09.80	100.37	53.33	108.57	88.57 to 101.49	189,188	174,267	
250,000 TO 499,999	17	96.82	99.14	98.85	09.64	100.29	79.31	127.49	90.00 to 105.26	346,389	342,412	
500,000 TO 999,999	19	96.81	95.38	95.57	06.89	99.80	58.10	114.57	92.31 to 100.00	634,971	606,817	
1,000,000 +	29	96.24	98.50	97.73	10.37	100.79	79.14	172.14	90.89 to 100.83	2,499,930	2,443,087	
<u>ALL</u>	96	97.55	97.06	97.33	08.76	99.72	53.33	172.14	95.15 to 100.00	986,391	960,089	

77 Sarpy
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RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
Blank	4	90.98	88.87	92.66	10.60	95.91	72.12	101.41	N/A	1,085,750	1,006,079
303	1	88.89	88.89	88.89	00.00	100.00	88.89	88.89	N/A	225,000	200,000
304	2	101.96	101.96	96.89	12.38	105.23	89.34	114.57	N/A	846,361	820,000
311	1	95.15	95.15	95.15	00.00	100.00	95.15	95.15	N/A	515,000	490,000
326	1	100.00	100.00	100.00	00.00	100.00	100.00	100.00	N/A	175,000	175,000
341	1	90.89	90.89	90.89	00.00	100.00	90.89	90.89	N/A	5,600,000	5,090,000
343	1	83.51	83.51	83.51	00.00	100.00	83.51	83.51	N/A	1,868,000	1,560,000
344	6	100.00	111.76	128.50	12.76	86.97	97.44	172.14	97.44 to 172.14	592,083	760,833
349	4	99.91	94.48	95.94	16.52	98.48	58.10	120.00	N/A	1,911,125	1,833,500
352	11	98.11	98.78	92.15	08.60	107.19	84.75	127.49	85.57 to 109.43	1,212,455	1,117,273
353	10	100.72	102.15	102.52	02.73	99.64	96.97	108.57	100.00 to 106.25	364,910	374,100
386	1	96.82	96.82	96.82	00.00	100.00	96.82	96.82	N/A	392,500	380,000
392	1	100.00	100.00	100.00	00.00	100.00	100.00	100.00	N/A	230,000	230,000
406	11	97.15	93.96	93.98	13.72	99.98	53.33	120.69	77.78 to 116.09	425,158	399,545
407	3	113.33	109.62	106.84	06.55	102.60	96.63	118.89	N/A	5,581,267	5,963,099
410	1	94.40	94.40	94.40	00.00	100.00	94.40	94.40	N/A	2,500,000	2,360,000
412	8	96.15	95.73	93.34	06.17	102.56	80.13	108.19	80.13 to 108.19	812,250	758,125
419	2	95.06	95.06	94.92	00.81	100.15	94.29	95.83	N/A	295,000	280,000
426	3	88.14	91.65	88.77	04.99	103.24	86.80	100.00	N/A	397,667	353,000
442	2	96.09	96.09	93.29	04.08	103.00	92.17	100.00	N/A	350,000	326,514
444	1	100.00	100.00	100.00	00.00	100.00	100.00	100.00	N/A	85,000	85,000
446	1	92.61	92.61	92.61	00.00	100.00	92.61	92.61	N/A	1,589,461	1,472,000
453	5	92.31	93.45	94.33	06.33	99.07	84.31	105.26	N/A	496,000	467,900
470	4	96.16	94.35	83.36	07.61	113.18	81.76	103.33	N/A	420,250	350,300
494	3	100.00	95.53	96.47	09.44	99.03	79.14	107.46	N/A	1,345,900	1,298,400
528	4	94.68	90.05	94.26	08.92	95.53	69.34	101.49	N/A	738,625	696,250
531	2	97.20	97.20	98.06	02.18	99.12	95.08	99.31	N/A	515,000	505,000
594	1	96.24	96.24	96.24	00.00	100.00	96.24	96.24	N/A	3,460,000	3,330,000
851	1	92.00	92.00	92.00	00.00	100.00	92.00	92.00	N/A	1,250,000	1,150,000
<u>ALL</u>	96	97.55	97.06	97.33	08.76	99.72	53.33	172.14	95.15 to 100.00	986,391	960,089

2013 Correlation Section for Sarpy County

A. Commercial Real Property

Originally explored in 1805, Sarpy County (Sarpy) contains the oldest settlement in the State of Nebraska (State). The majority of the commercial properties located within Sarpy are relatively equitably spread among five towns. The smaller community markets, while containing commercial properties of their own, are also guided by the proximity to the larger towns that serve as the area commercial hubs. 40.6% of the residents living in Sarpy also work in Sarpy and, per the Nebraska Department of Labor, an 11.69% job growth rate is expected in years 2010-2020 in certain counties which include Sarpy. Among the top employers in Sarpy are Offutt Air Force Base, PayPal, Inc., Papillion-La Vista Public Schools, Bellevue Public School District, Werner Enterprises, InfoGroup, Bellevue University, and Oriental Trading Company. Sarpy contains 15 grocery stores, 72 full-service restaurants, and 46 gas stations. The Fort Crook Historic District, now part of the Offutt Air Force Base, is listed on the National Register of Historic Places, as is the Fontanelle Bank, an 1850s bank that continued on as the Sarpy County Courthouse and Bellevue Town Hall, respectively.

Sarpy is currently working towards full compliance with the statutorily mandated six year review requirement. The review consists of a reappraisal which necessitates a physical inspection of all properties; both exterior and interior reviews are conducted as permitted. The successful completion of the six-year commercial review within the allotted time is anticipated by Sarpy.

The Department of Revenue Property Assessment Division (PAD) conducts two review processes annually. The first is a three year cyclical review in which thirty-one counties are gauged on their specific assessment practices per annum. This review verifies normal measurement trends in an effort to uncover any incongruities. Based on the findings of this review, a course of action is adopted. The last cyclical review of Sarpy's actions occurred in 2012 and it was determined at that time that measurement trends were on point and that the assessment actions adhered to professionally accepted mass appraisal standards.

The second review process is one of the sales qualifications. The last review by PAD occurred in 2012. This review inspects the non-qualified sales roster to ensure that the grounds for disqualifying sales were supported and documented. This review also involves an on-site dialogue with the assessor and a consideration of verification documentation. Sarpy has a consistent and on-going procedure for sales verification. During the verification process, the appraisal staff reviews the present use of the property and then indicates the usability of the sale. The review of Sarpy revealed that no apparent bias existed in the qualification determination, and that all arm's length sales were made available for the measurement of real property.

Sarpy contains 2,800 commercial and industrial parcels. A review of Sarpy's statistical analysis revealed a total of 96 commercial sales in the solitary valuation grouping of Sarpy, an escalation of 12 sales from the year prior. This statistical sample is sufficiently large enough to be evaluated for measurement purposes. The initial analysis of a grouped together data set in a county will occasionally uncover a number appearing as an outlier; upon further review, however, that number reveals itself to be a perfectly acceptable measurement level. The

**2013 Correlation Section
for Sarpy County**

stratification by occupancy code shows occupancy code 353 (retail store) containing 10 sales and a median of 100.72. A dialogue opened up between Sarpy's assessor office and the PAD Sarpy liaison to discuss this inconsistent number. During that discussion, it was disclosed that one of the parcels sold in occupancy code 353 had applied for, and then completed, a renovation, which changed the type of business housed at the parcel and affecting the measurement analysis. Because Sarpy applies assessment practices to the sold and unsold parcels in a similar manner and updates the costing year every assessment year, the median ratio calculated from the sales file appears to represent the level of value for the commercial class of property.

Based on a review of all available information, the quality of assessment of the commercial class has been determined to be in compliance with general accepted mass appraisal standards. The level of value of commercial property within Sarpy is 98%.

**2013 Correlation Section
for Sarpy 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.

2013 Correlation Section for Sarpy 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.

2013 Correlation Section for Sarpy 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.

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 Sarpy County**

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 Sarpy County

Sarpy County (Sarpy) performed a market analysis for the agricultural land class of property to determine market value. While special value, influence, and its subsequent impact on Sarpy is discussed further in the agricultural correlation section for purposes of assessment it is key to note that all agricultural land sales with Sarpy are influenced by non-agricultural factors. Therefore agricultural land sales arising within Sarpy are not representative of the market value of the land. As a result, Sarpy analyzed uninfluenced agricultural land sales in comparable counties to determine accurate agricultural market value, thus providing a baseline from which to measure the irrigated, dry, and grass land special values in Sarpy. For 2013, the sales in the counties of Burt, Cass, Nemaha, Otoe, Richardson, Saunders and Washington were utilized in a ratio study. Indicators calculated from those ratios were examined in terms of majority land use, then employed to develop the 2013 schedule of special values for agricultural land.

Sarpy's review of parcels receiving or seeking special value is ongoing. The predominant use of each parcel must be evaluated to confirm its agricultural or horticultural uses.

Additionally, Sarpy constantly updates land use in the agricultural class as an essential element of ensuring accurate assessed values. To do so, Sarpy utilizes GIS imagery, FSA maps, and physical inspections.

Finally, Sarpy continued in its multi-year inspection of all rural property in 2013; the inspection is being conducted by section and township.

The outcome of Sarpy's agricultural analysis indicated an increase to every soil type in Sarpy, culminating in a varied increase to irrigated land ranging from twenty-six to forty percent resulting in \$2100-\$4720 per acre values, a varied increase to dry land ranging from twenty-one to forty-three percent resulting in \$1950-\$4400 per acre values, and an increase in grass land of five percent, resulting in \$1038-\$1817 per acre values. These represent values at 75% of the uninfluenced agricultural land market value.

2013 Agricultural Assessment Survey for Sarpy County

1.	Valuation data collection done by:	
	Staff Appraiser	
2.	List each market area, and describe the location and the specific characteristics that make each unique.	
	Market Area	Description of unique characteristics
	Special Valuation	One County market exists for agricultural special valuation
	FRM	Agricultural parcels within AACR market area
	FRMB	Agricultural parcels within BACR market area
	FRMG	Agricultural parcels within GACR market area
	FRMO	Agricultural parcels within O12 market area
	FRM2	Agricultural parcels with a commercial or industrial component
	FRMD	Agricultural parcels with high density development certainty, and along major corridors
	FRMF	Agricultural parcels within REC2 market area
	FRML	Agricultural parcels within ALPR market area
3.	Describe the process used to determine and monitor market areas.	
	The County analyzes sales and market conditions. Title 350, Chapter 50-001.18	
4.	Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land.	
	<ol style="list-style-type: none"> 1. Parcel use is identified 2. Based on use, market area is identified 3. Conduct sales and market analysis 4. Apply valuation 	
5.	Do farm home sites carry the same value as rural residential home sites? If not, what are the market differences?	
	Yes. The market is similar	
6.	Describe the process used to identify and monitor the influence of non-agricultural characteristics.	
	<ol style="list-style-type: none"> 1- Agricultural land characteristics are soil type and land use. 2- Non-agricultural land is based on significant characteristics within the market. Examples of items considered: parcel use, parcel type, location, geographic characteristics, zoning, city size, etc. 	
7.	Have special valuation applications been filed in the county? If a value difference is recognized describe the process used to develop the uninfluenced value.	
	Yes. Special valuation values are considerably less than market values.	
8.	If applicable, describe the process used to develop assessed values for parcels enrolled in the Wetland Reserve Program.	
9.	How do you determine whether a sold parcel is substantially changed?	
	To establish what sold at what price, property characteristic data as of the date of sale is verified. If property characteristics changed after that date and influenced its market value, it is determined to be substantially changed.	

Sarpy County 2013 Average Acre Value Comparison

County	Mkt Area	1A1	1A	2A1	2A	3A1	3A	4A1	4A	AVG IRR
Sarpy	1	4,720	4,580	4,250	3,850	3,670	3,400	2,550	2,100	3,958
Burt	2	4,580	4,450	N/A	3,890	3,595	3,710	2,880	2,230	4,148
Cass	54	4,800	4,640	4,080	4,080	3,310	3,310	3,010	2,380	4,277
Dodge	5	5,265	4,895	4,550	4,230	3,655	3,655	3,400	3,170	4,450
Douglas	1	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800
Lancaster	1	6,000	6,000	6,000	5,993	4,875	4,854	2,999	2,998	5,468
Nemaha	8300	4,750	4,750	3,750	3,000	2,625	3,735	2,000	2,000	3,406
Otoe	8000	4,750	4,750	4,500	4,000	3,100	3,100	2,900	2,500	3,808
Richardson	50	3,735	3,670	3,146	3,310	2,877	2,455	1,920	1,870	3,113
Washington	1	4,740	4,620	4,275	3,890	3,775	3,420	2,655	2,210	4,015

County	Mkt Area	1D1	1D	2D1	2D	3D1	3D	4D1	4D	AVG DRY
Sarpy	1	4,400	4,300	3,950	3,600	3,400	3,150	2,400	1,950	3,606
Burt	2	4,500	4,340	4,010	3,835	3,663	3,660	2,775	2,125	3,891
Cass	54	3,770	3,740	3,590	3,210	3,030	3,030	3,120	2,570	3,393
Dodge	5	4,870	4,530	4,215	3,920	3,302	3,170	2,875	2,365	3,912
Douglas	1	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Lancaster	1	3,748	3,750	3,371	3,373	3,000	3,000	2,625	2,625	3,264
Nemaha	8300	3,789	3,800	2,994	2,400	2,100	2,909	1,600	1,600	2,610
Otoe	8000	3,800	3,800	3,600	3,200	2,500	3,046	2,300	1,998	3,024
Richardson	50	3,277	3,064	2,805	2,847	2,806	2,777	2,433	1,920	2,826
Washington	1	4,550	4,465	4,200	3,640	3,415	3,350	2,580	1,945	3,824

County	Mkt Area	1G1	1G	2G1	2G	3G1	3G	4G1	4G	AVG GRASS
Sarpy	1	1,817	1,680	1,595	1,458	1,405	1,270	1,131	1,038	1,359
Burt	2	1,902	1,834	2,085	1,373	1,626	1,512	1,519	1,301	1,556
Cass	54	1,230	1,230	1,040	1,040	1,020	1,020	980	740	989
Dodge	5	1,509	2,035	1,405	1,615	1,376	1,249	1,113	1,266	1,364
Douglas	1	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Lancaster	1	2,355	2,539	2,087	2,162	1,816	1,829	1,430	1,366	1,802
Nemaha	8300	1,719	2,021	1,906	1,160	1,200	1,157	982	830	1,161
Otoe	8000	1,468	1,494	1,411	1,557	1,408	1,373	1,274	870	1,323
Richardson	50	1,089	1,216	913	1,064	1,030	976	932	774	950
Washington	1	1,845	1,645	1,510	1,345	1,319	1,185	1,130	1,020	1,366

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

SARPY COUNTY ASSESSOR - Standard Operating Procedure

Date: March 19, 2013

SPECIAL VALUATION METHODOLOGY

OBJECTIVE: To establish the policy and method of valuing improved and unimproved farm land.

REFERENCE: NEBRASKA ADMINISTRATIVE CODE TITLE 350
CHAPTER 11 (03/15/2009)
CHAPTER 14 (03/15/2009)

POLICY: Sarpy County is influenced by market forces outside of the typical agricultural market. The influences are residential, commercial and recreational in nature. Therefore, the total of Sarpy County is covered under the Agricultural and Horticultural Special Valuation program.

MARKET AREAS: There is one special valuation agricultural market area within Sarpy County.

METHODOLOGY: Each farm parcel is to have a periodic inspection with all site improvements documented on the property record file. The land portion of the property record file is to be inventoried based upon its actual use and soil classification. As documented in Title 350 Chapter 14 of the Nebraska Administrative Code. The identified uses need to be classified as an agricultural purpose or other land uses.

VALUATION:

AGRICULTURAL LAND VALUATION: Sarpy County has no sales that are purely for an agricultural purpose. Therefore, Sarpy County relies on sales information received from the Property Assessment Division of the Nebraska Department of Revenue. For 2013, the PAD selected comparable counties from which to draw land sales that were analyzed to establish the agricultural special valuation.

OTHER LAND USE VALUATION: The uses that are not agricultural or horticultural land are to be valued at 100% market value. The uses are identified, most typically as residential, commercial or recreational. Once identified, the area values will be arrived at by applying the same policies and practices that are used in valuing their counter parts that are not enrolled in the Special Valuation Program.

A handwritten signature in black ink, appearing to be 'D. L.', is located below the text.

APPROVED
DATED: 03/19/2013

Analysis of Sarpy Agricultural Land Special Value

Final Statistics

		Median		AAD	
Sarpy Total sales	228	65.94%		19.07%	
		70.20%		28.93%	
		66.24%		105.98%	
Burt # sales	56	59.53%		15.01%	
		60.39%		25.21%	
		59.40%		101.66%	
Cass/Wash # sales	43	62.30%		17.01%	
		67.15%		27.29%	
		61.47%		109.25%	
Nemaha # sales	31	85.57%		27.64%	
		90.10%		32.31%	
		81.00%		111.23%	
Otoe # sales	18	71.65%		14.98%	
		72.84%		20.90%	
		72.15%		100.96%	
Richardson # sales	33	71.85%		16.97%	
		73.23%		23.62%	
		71.78%		102.02%	
Saunders # sales	47	63.58%		18.76%	
		68.41%		29.50%	
		63.89%		107.08%	

Confidence Intervals

	Minimum	Maximum
95% Median C.I.:	56.71%	56.71%
95% Mean C.I.:	66.89%	73.51%
95% Wt Mean C.I.:	63.13%	69.35%
95% Median C.I.:	47.03%	56.71%
95% Mean C.I.:	55.47%	65.31%
95% Wt Mean C.I.:	54.85%	63.96%
95% Median C.I.:	43.23%	43.23%
95% Mean C.I.:	60.49%	73.81%
95% Wt Mean C.I.:	55.21%	67.72%
95% Median C.I.:	65.83%	65.83%
95% Mean C.I.:	77.86%	102.34%
95% Wt Mean C.I.:	67.73%	94.28%
95% Median C.I.:	#N/A	49.37%
95% Mean C.I.:	64.10%	81.58%
95% Wt Mean C.I.:	62.73%	81.57%
95% Median C.I.:	#N/A	78.44%
95% Mean C.I.:	65.53%	80.92%
95% Wt Mean C.I.:	61.41%	82.14%
95% Median C.I.:	35.02%	63.74%
95% Mean C.I.:	61.01%	75.81%
95% Wt Mean C.I.:	58.21%	69.57%

Majority Land Use

95% MLU	Irrigated	Dry	Grass
Sales & Median			
County Total	0 N/A	87 70.37%	12 34.19%
Burt	0 N/A	25 66.30%	9 32.38%
Cass/Wash	0 N/A	22 63.87%	1 67.55%
Nemaha	0 N/A	23 89.42%	0 N/A
Otoe	0 N/A	5 84.06%	0 N/A
Richardson	0 N/A	4 92.72%	0 N/A
Saunders	0 N/A	20 63.68%	2 37.65%

80% MLU	Irrigated	Dry	Grass
Sales & Median			
County	1 92.93%	149 70.49%	18 34.87%
Burt	0 N/A	38 67.96%	12 32.20%
Cass/Wash	0 N/A	33 68.07%	1 67.55%
Nemaha	0 N/A	23 89.42%	0 N/A
Otoe	0 N/A	13 74.47%	0 N/A
Richardson	0 N/A	12 83.26%	1 81.54%
Saunders	1 92.93%	30 67.11%	4 35.74%

COUNTY REPORT OF THE 2013 SPECIAL VALUATION PROCESS

Sarpy

2012 ABSTRACT DATA		2013 ABSTRACT DATA		Rates Used	
MAJOR AGLAND USE	2012 % of ALL CLASSIFIED AGLAND	2012 ABSTRACT ACRES	2013 % of ALL CLASSIFIED AGLAND	2013 ABSTRACT ACRES	ESTIMATED CORRELATED RATE (for each major land use)
Irrigated	8.00%	6,365	7.84%	6,218	IRRIGATED RATE
Dryland	82.99%	66,047	83.07%	65,864	6.35%
Grassland	9.01%	7,169	9.09%	7,204	DRY RATE
* Waste	0.00%	0	0.00%	0	4.15%
* Other	0.00%	0	0.00%	0	GRASS RATE
All Agland	100.00%	79,582	100.00%	79,286	3.00%
Non-Agland	0.00%	0			

PRELIMINARY LEVEL OF VALUE BASED ON THE 2012 ABSTRACT

Estimated Rent	2012 Assessed Value	USE	Estimated Value	Average Rent per Acre	Preliminary Indicated Level of Value
2,149,957	19,101,517	IRRIGATED	33,857,590	337.76	56.42%
14,111,200	186,903,468	DRYLAND	340,028,912	213.65	54.97%
394,661	9,284,153	GRASSLAND	13,155,382	55.05	70.57%
16,655,818	215,289,138	All IRR-DRY-GRASS	387,041,884	209.29	55.62%

ESTIMATED LEVEL OF VALUE BASED ON THE 2013 ABSTRACT

Estimated Rent	2013 Assessed Value	USE	Estimated Value	Average Rent per Acre	2013 Indicated Level of Value
2,152,546	24,610,506	IRRIGATED	33,898,362	337.76	72.60%
14,072,080	237,499,823	DRYLAND	339,086,266	213.65	70.04%
396,590	9,791,799	GRASSLAND	13,219,680	55.05	74.07%
16,621,216	271,902,128	All IRR-DRY-GRASS	386,204,308	209.29	70.40%

CHANGES BY AVERAGE VALUE PER ACRE FOR EACH MAJOR USE

Average Value Per Acre of IRRIGATED Agricultural Land - Special Valuation	
2012	@ \$ 3,000.84
2013	@ \$ 3,958.20
PERCENT CHANGE	= 31.90%

Average Value Per Acre of DRY Agricultural Land - Special Valuation	
2012	@ \$ 2,829.84
2013	@ \$ 3,605.90
PERCENT CHANGE	= 27.42%

Average Value Per Acre of GRASS Agricultural Land - Special Valuation	
2012	@ \$ 1,295.01
2013	@ \$ 1,359.18
PERCENT CHANGE	= 4.95%



* Waste and other classes are excluded from the measurement process.

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extended. Tan indicates
update replacing Co. Name-
including cell N9 this is
included in the worksheets
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from Counth Extract **TAB** .

2012 LOV AGLAND
74.00%

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are **Look-up** cells. They
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USE TAB

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PRELIM.RATES TAB

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are "date sensitive" are
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2013 Correlation Section for Sarpy County

A. Agricultural Land

Sarpy County (Sarpy) is a county with a dry land majority composition that lies in the eastern half of the State of Nebraska (State). It falls within both the Lower Platte South and Pappio-Missouri River Natural Resource Districts (NRD). A farm, as defined by the United States Department of Agriculture (USDA) is “any place from which \$1,000 or more of agricultural products were, or normally would be, produced and sold during the Census year.” Per the most recent USDA Census of Agriculture, there are 360 farms in Sarpy. When weighed against the rest of the State, Sarpy ranks second for sod harvested, third in nursery, greenhouse, floriculture and sod, fourth in duck production, and sixth in fruits, tree nuts, and berry production, respectively. Row crop production remains the predominate agricultural use in Sarpy

Agricultural land in Sarpy is determined to be completely influenced by non-agricultural factors and nearly all is subject to special valuation. Therefore, measurement is not conducted on the influenced valuation for agricultural land since insufficient sales information exists.

A1. Correlation for Special Valuation of Agricultural Land

The special valuation in Sarpy County (Sarpy) was analyzed using assessment-to-sales ratios developed using sale data from uninfluenced areas considered comparable to Sarpy. Income rental rates, production factors, topography, typical farming practices, proximity, and other factors were considered to determine general areas of comparability. Sales from uninfluenced areas that were comprised of similar soil types were used from the counties of Burt, Washington, Cass, Saunders, Otoe, Nemaha, and Richardson.

The 2013 assessed values established by Sarpy were used to estimate value for the uninfluenced sales and the results were analyzed against the sale prices. Analysis was also conducted of the rental rates in the comparable counties and used to estimate the gross rental value per land capability grouping for Sarpy. Gross rent multipliers were determined based on an analysis of rental information from the comparable counties and market values indicated from sale prices.

An assessment level was estimated by the ratio of special valuation assessment divided by the estimated agricultural land market value determination. In comparing the average assessed values by LCG of Sarpy to adjacent counties, the comparison demonstrates the values are generally equalized. The predominant land use in Sarpy is dry land and it serves as the most reliable indicator of market value for the agricultural class of property. Irrigation and grazing farming practices are incidental uses and these subclasses do not contain sufficient sale information to consider as value indicators.

Based on this analysis it is the opinion of the PTA that the level of value of Agricultural Special Value in Sarpy County is 70%. Assessment practices are considered to be in compliance with professionally accepted mass appraisal practices.

**2013 Correlation Section
for Sarpy 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.

2013 Correlation Section for Sarpy 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.

2013 Correlation Section for Sarpy 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.

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**2013 Correlation Section
for Sarpy County**

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

Total Real Property Sum Lines 17, 25, & 30	Records : 58,624	Value : 11,258,751,230	Growth 225,309,533	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	675	12,447,579	2,284	40,156,964	1,278	27,789,337	4,237	80,393,880	
02. Res Improve Land	27,023	638,276,982	11,607	393,390,230	9,776	363,552,730	48,406	1,395,219,942	
03. Res Improvements	27,567	3,092,081,382	11,653	2,004,737,344	9,830	1,493,328,232	49,050	6,590,146,958	
04. Res Total	28,242	3,742,805,943	13,937	2,438,284,538	11,108	1,884,670,299	53,287	8,065,760,780	177,311,100
% of Res Total	53.00	46.40	26.15	30.23	20.85	23.37	90.90	71.64	78.70
05. Com UnImp Land	292	52,361,119	167	32,776,517	78	17,667,507	537	102,805,143	
06. Com Improve Land	1,119	299,404,164	114	54,906,779	108	44,956,630	1,341	399,267,573	
07. Com Improvements	1,136	1,084,767,589	118	247,971,934	114	119,815,248	1,368	1,452,554,771	
08. Com Total	1,428	1,436,532,872	285	335,655,230	192	182,439,385	1,905	1,954,627,487	33,407,186
% of Com Total	74.96	73.49	14.96	17.17	10.08	9.33	3.25	17.36	14.83
09. Ind UnImp Land	88	8,896,913	66	5,205,309	109	14,730,434	263	28,832,656	
10. Ind Improve Land	265	45,254,446	105	28,259,981	278	95,688,233	648	169,202,660	
11. Ind Improvements	266	146,767,028	105	79,363,044	280	300,172,479	651	526,302,551	
12. Ind Total	354	200,918,387	171	112,828,334	389	410,591,146	914	724,337,867	10,952,541
% of Ind Total	38.73	27.74	18.71	15.58	42.56	56.69	1.56	6.43	4.86
13. Rec UnImp Land	0	0	20	1,307,718	109	5,210,065	129	6,517,783	
14. Rec Improve Land	0	0	1	246,550	32	1,510,511	33	1,757,061	
15. Rec Improvements	0	0	1	50,108	330	6,999,835	331	7,049,943	
16. Rec Total	0	0	21	1,604,376	439	13,720,411	460	15,324,787	71,424
% of Rec Total	0.00	0.00	4.57	10.47	95.43	89.53	0.78	0.14	0.03
Res & Rec Total	28,242	3,742,805,943	13,958	2,439,888,914	11,547	1,898,390,710	53,747	8,081,085,567	177,382,524
% of Res & Rec Total	52.55	46.32	25.97	30.19	21.48	23.49	91.68	71.78	78.73
Com & Ind Total	1,782	1,637,451,259	456	448,483,564	581	593,030,531	2,819	2,678,965,354	44,359,727
% of Com & Ind Total	63.21	61.12	16.18	16.74	20.61	22.14	4.81	23.79	19.69
17. Taxable Total	30,024	5,380,257,202	14,414	2,888,372,478	12,128	2,491,421,241	56,566	10,760,050,921	221,742,251
% of Taxable Total	53.08	50.00	25.48	26.84	21.44	23.15	96.49	95.57	98.42

Schedule II : Tax Increment Financing (TIF)

	Urban			SubUrban		
	Records	Value Base	Value Excess	Records	Value Base	Value Excess
18. Residential	10	68,467	1,918,803	0	0	0
19. Commercial	15	5,937,089	18,403,719	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	10	68,467	1,918,803
19. Commercial	0	0	0	15	5,937,089	18,403,719
20. Industrial	0	0	0	0	0	0
21. Other	0	0	0	0	0	0
22. Total Sch II				25	6,005,556	20,322,522

Schedule III : Mineral Interest Records

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

Schedule IV : Exempt Records : Non-Agricultural

	Urban Records	SubUrban Records	Rural Records	Total Records
26. Exempt	1,035	657	559	2,251

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	1	130,403	458	39,531,203	696	119,409,188	1,155	159,070,794
28. Ag-Improved Land	0	0	205	44,960,863	686	133,490,458	891	178,451,321
29. Ag Improvements	0	0	206	33,253,167	697	127,925,027	903	161,178,194
30. Ag Total							2,058	498,700,309

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	161	0.00	29,043,346	
34. HomeSite Total							
35. FarmSite UnImp Land	1	1.10	47,916	33	45.77	453,419	
36. FarmSite Improv Land	0	0.00	0	200	649.31	13,496,127	
37. FarmSite Improvements	0	0.00	0	143	0.00	4,209,821	
38. FarmSite Total							
39. Road & Ditches	0	0.00	0	0	1.53	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
	Records	Acres	Value	Records	Acres	Value	Growth
31. HomeSite UnImp Land	0	0.00	0	0	0.00	0	
32. HomeSite Improv Land	0	0.00	0	0	0.00	0	
33. HomeSite Improvements	592	0.00	111,014,807	753	0.00	140,058,153	3,567,282
34. HomeSite Total				753	0.00	140,058,153	
35. FarmSite UnImp Land	108	740.71	3,076,117	142	787.58	3,577,452	
36. FarmSite Improv Land	663	2,015.02	45,165,524	863	2,664.33	58,661,651	
37. FarmSite Improvements	495	0.00	16,910,220	638	0.00	21,120,041	0
38. FarmSite Total				780	3,451.91	83,359,144	
39. Road & Ditches	0	0.34	0	0	1.87	0	
40. Other- Non Ag Use	0	4.60	460	0	4.60	460	
41. Total Section VI				1,533	3,458.38	223,417,757	3,567,282

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	1	0.00	38,200	1	0.00	38,200

Schedule VIII : Agricultural Records : Special Value

	Urban			SubUrban		
	Records	Acres	Value	Records	Acres	Value
43. Special Value	1	22.88	82,487	648	21,657.58	70,470,766
44. Recapture Value N/A	1	22.88	996,652	648	21,657.58	236,253,608
	Rural			Total		
	Records	Acres	Value	Records	Acres	Value
43. Special Value	1,376	67,043.07	204,597,583	2,025	88,723.53	275,150,836
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	796.01	12.80%	3,757,165	15.27%	4,720.00
46. 1A	541.99	8.72%	2,482,312	10.09%	4,580.00
47. 2A1	551.78	8.87%	2,345,079	9.53%	4,250.03
48. 2A	2,987.69	48.05%	11,502,637	46.74%	3,850.01
49. 3A1	822.75	13.23%	3,019,496	12.27%	3,670.00
50. 3A	268.96	4.33%	914,464	3.72%	3,400.00
51. 4A1	150.37	2.42%	383,448	1.56%	2,550.03
52. 4A	98.05	1.58%	205,905	0.84%	2,100.00
53. Total	6,217.60	100.00%	24,610,506	100.00%	3,958.20
Dry					
54. 1D1	2,740.65	4.16%	12,058,860	5.08%	4,400.00
55. 1D	19,265.15	29.25%	82,840,145	34.88%	4,300.00
56. 2D1	1,319.32	2.00%	5,211,352	2.19%	3,950.03
57. 2D	5,729.08	8.70%	20,624,699	8.68%	3,600.00
58. 3D1	28,499.10	43.27%	96,896,954	40.80%	3,400.00
59. 3D	420.94	0.64%	1,325,973	0.56%	3,150.03
60. 4D1	7,013.62	10.65%	16,832,693	7.09%	2,400.00
61. 4D	876.40	1.33%	1,709,147	0.72%	1,950.19
62. Total	65,864.26	100.00%	237,499,823	100.00%	3,605.90
Grass					
63. 1G1	248.00	3.44%	450,622	4.60%	1,817.02
64. 1G	1,364.18	18.94%	2,291,829	23.41%	1,680.00
65. 2G1	83.26	1.16%	132,798	1.36%	1,594.98
66. 2G	332.10	4.61%	484,205	4.95%	1,458.01
67. 3G1	2,302.88	31.97%	3,235,559	33.04%	1,405.01
68. 3G	166.89	2.32%	211,953	2.16%	1,270.02
69. 4G1	1,882.48	26.13%	2,129,094	21.74%	1,131.00
70. 4G	824.41	11.44%	855,739	8.74%	1,038.00
71. Total	7,204.20	100.00%	9,791,799	100.00%	1,359.18
Irrigated Total	6,217.60	7.00%	24,610,506	8.94%	3,958.20
Dry Total	65,864.26	74.18%	237,499,823	86.27%	3,605.90
Grass Total	7,204.20	8.11%	9,791,799	3.56%	1,359.18
72. Waste	2,776.95	3.13%	281,959	0.10%	101.54
73. Other	6,725.16	7.57%	3,098,465	1.13%	460.73
74. Exempt	1.74	0.00%	0	0.00%	0.00
75. Market Area Total	88,788.17	100.00%	275,282,552	100.00%	3,100.44

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	0.00	0	835.48	3,346,453	5,382.12	21,264,053	6,217.60	24,610,506
77. Dry Land	22.88	82,487	17,769.24	64,596,667	48,072.14	172,820,669	65,864.26	237,499,823
78. Grass	0.00	0	1,499.66	2,097,846	5,704.54	7,693,953	7,204.20	9,791,799
79. Waste	0.00	0	604.34	64,698	2,172.61	217,261	2,776.95	281,959
80. Other	0.00	0	1,003.39	436,856	5,721.77	2,661,609	6,725.16	3,098,465
81. Exempt	0.00	0	1.74	0	0.00	0	1.74	0
82. Total	22.88	82,487	21,712.11	70,542,520	67,053.18	204,657,545	88,788.17	275,282,552

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	6,217.60	7.00%	24,610,506	8.94%	3,958.20
Dry Land	65,864.26	74.18%	237,499,823	86.27%	3,605.90
Grass	7,204.20	8.11%	9,791,799	3.56%	1,359.18
Waste	2,776.95	3.13%	281,959	0.10%	101.54
Other	6,725.16	7.57%	3,098,465	1.13%	460.73
Exempt	1.74	0.00%	0	0.00%	0.00
Total	88,788.17	100.00%	275,282,552	100.00%	3,100.44

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

77 Sarpy

	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	8,013,274,541	8,065,760,780	52,486,239	0.65%	177,311,100	-1.56%
02. Recreational	15,373,616	15,324,787	-48,829	-0.32%	71,424	-0.78%
03. Ag-Homesite Land, Ag-Res Dwelling	140,042,187	140,058,153	15,966	0.01%	3,567,282	-2.54%
04. Total Residential (sum lines 1-3)	8,168,690,344	8,221,143,720	52,453,376	0.64%	180,949,806	-1.57%
05. Commercial	1,902,223,575	1,954,627,487	52,403,912	2.75%	33,407,186	1.00%
06. Industrial	711,503,705	724,337,867	12,834,162	1.80%	10,952,541	0.26%
07. Ag-Farmsite Land, Outbuildings	82,019,519	83,359,144	1,339,625	1.63%	0	1.63%
08. Minerals	0	0	0		0	
09. Total Commercial (sum lines 5-8)	2,695,746,799	2,762,324,498	66,577,699	2.47%	44,359,727	0.82%
10. Total Non-Agland Real Property	10,864,437,143	10,983,468,678	119,031,535	1.10%	225,309,533	-0.98%
11. Irrigated	18,804,970	24,610,506	5,805,536	30.87%		
12. Dryland	186,721,951	237,499,823	50,777,872	27.19%		
13. Grassland	12,250,963	9,791,799	-2,459,164	-20.07%		
14. Wasteland	228,037	281,959	53,922	23.65%		
15. Other Agland	1,654	3,098,465	3,096,811	187,231.62%		
16. Total Agricultural Land	218,007,575	275,282,552	57,274,977	26.27%		
17. Total Value of all Real Property (Locally Assessed)	11,082,444,718	11,258,751,230	176,306,512	1.59%	225,309,533	-0.44%

Three Year Plan of Assessment for Sarpy County

July 15, 2012

Introduction

77-1311.02. Plan of assessment; preparation. The county assessor shall, on or before June 15 each year, prepare a plan of assessment which shall describe the assessment actions the county assessor plans to make 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. The plan shall be presented to the county board of equalization on or before July 31 each year. The county 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 on or before October 31 each year.

Source: Laws 2005, LB 263, § 9; Laws 2007, LB334, § 64.

Duties of the County Assessor

The duties of the county assessor are stated in the Nebraska State Statutes, 77-1311. Along with general supervision and direction of the assessment of all taxable property in the county, the assessor is responsible for the following:

- Annually revise the real property assessments for the correction of errors and equitably portion valuations.
- Obey all rules and regulations made under Chapter 77 and the instructions and orders sent by the Property Tax Administrator and the Tax Equalization and Review Commission.
- Examine records from the offices of the register of deeds, county clerk, county judge, and the clerk of the district court for proper ownership of property.
- Prepare the assessment roll.
- Provide public access to records.
- Submit a plan of assessment to the county board and the division of property assessment.

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 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:

- 100% of actual value for all classes of real property excl; agricultural and horticultural land.
- 75% of actual value for agricultural and horticultural land.

- 75% of special value for agricultural and horticultural land which meets qualifications for special valuation under 77-1344 and 75% if its recapture value as defined in 77-1343 when the land is disqualified for special valuation under 77-1347.

General Description of Real Property in Sarpy County

	<u>Parcels</u>	<u>% of total parcels</u>
Residential	53,970	91
Commercial	1,909	3
Industrial	886	2
Recreational	445	1
Agricultural	2,037	3

91% of the parcels are coded as residential property; commercial/Industrial parcels make up 5%; agricultural is at 3%; and 1% for recreational. In 2009/2010, building permits in Sarpy County were issued as follows:

Residential	2,180	Permits issued from July 1, 2011 to June 30, 2012
Commercial	157	
Industrial	42	
Agricultural	53	

Current Resources

The Sarpy County Assessor’s office is currently staffed as follows:

- (1) Elected County Assessor
- (1) Chief Deputy Assessor
- (9) Real Estate Appraisers
- (8) Administrative Staff

Cadastral Mapping

Cadastral mapping is accomplished through our Geographic Information System. Technical support is provided by the Sarpy County Information Systems Department. The assessor has two people on staff with advanced mapping skills. Maps are provided to the public via the internet. The I.A.A.O. recommends keeping printed quarter sheets on hand. Our quarter sheets are kept in the office of the register of deeds and are available for public viewing.

Computer Assisted Mass Appraisal (CAMA)

Thomas Reuters provides the Terra Scan CAMA Software Package along with updates to Terra Scan and the Marshall-Swift Cost Data. The sketching section of Terra Scan is not adequate for our needs and is not used. Sketching is accomplished through a separate Apex software program. CAMA data populates the parcel look-up section of the county website.

Currently, the Sarpy County Assessor and Sarpy County Treasurer are reviewing bids for a new CAMA and tax collection software provider.

Geographic Information System

The GIS system is controlled by our Information Systems Department with the assessor having use of ArcViewer and ArcReader. This provides our appraisers with tools for plotting sales, permits, identify areas for reappraisal, etc. Maps are helpful for explaining assessment practices to property owners and county board members. Oblique imagery is available to use through Pictometry and is useful for verification of a number of property characteristics. The next over-flight for the purpose of updating aerial imagery is scheduled for 2013.

Internet Access to County Information

Much of the data from assessment files can be viewed on the internet in the form of free public information and premium services. It is the policy of the Information Systems Department to charge a fee for some assessment information and for the generation of custom reports. The public use of the website (www.sarpy.com) has increased each year and the majority of hits are on the assessor's portion of the site. We have added internet access to previous year's Nebraska Personal Property Schedules in order to expedite the annual filings with our office. Information regarding important filing dates and assessment methods are updated frequently.

Current Assessment Procedures for Real Property

The population of Sarpy County has passed 150,000 residents according to the numbers issued by the 2010 U.S. Census. Permits for the construction of new homes, apartments, and commercial buildings are slowly increasing. Copies of building permits are submitted to our office with the major permits (new construction, building additions, etc.) receiving prompt attention. The minor building permits (decks, sheds, patios, etc.) are generally addressed when we re-inspect the sub-division or market area.

Construction of secondary structures in the rural areas of Sarpy County often takes place without a building permit. The review and comparison of aerial photography along with physical inspection is necessary to collect data for listing and valuation. Inspections in the years 2009 and 2010 indicate a great need for increasing our property inspection efforts in the rural areas. In 2011, personnel were shifted to the effort to catch-up on rural building permits for the 2012 values. It is increasingly evident that one staff appraiser assigned to the rural areas is simply inadequate for the amount of work involved.

Agricultural land is being platted for residential development with a complimenting number of commercial plattings to support the population growth throughout the county. Currently, the largest population growth is in the rural (unincorporated) areas of Sarpy County.

The number of deeds filed with the register of deeds office has shown an increase of 7% over this time last year. All transfers of real property that are recorded are subject to a thorough sales verification process before they are considered an arms-length transaction.

Review of Assessment Sales Ratio Studies before Assessment Actions

Ratio studies are performed during the year to determine the level of our assessments in individual market areas. This serves as an indicator of possible inspection and re-valuation needs in a specific area. While statistical studies are performed in-house, we work from the preliminary statistics issued by the Property Assessment Division.

Approaches to Value

Residential assessed values are determined by using a cost approach to value adjusted to the market via depreciation tables. The depreciation tables are derived from sales analysis. Our

office uses two years worth of qualified sales as the market data for our statistical analysis and measurement.

We rely on the local real estate market, interviews with local mortgage lenders, real estate appraisers, real estate developers, and national real estate publications to assist us with the income approach to value on commercial properties. However, all three approaches to value are considered.

Agricultural land may receive a special valuation by enrolling in an Agricultural Special Valuation Program (greenbelt) or simply valued at 75% of market value, where applicable. There are specific

requirements for receiving special valuation and the assessor must closely observe the predominant use of each parcel to be certain of agricultural or horticultural uses.

The necessity to value any land adjoining agricultural land, but not considered to be agricultural land, has been studied and valued according to the results of the study. Sales of rural parcels are applied to the valuation models each year to determine any necessary adjustments to the values.

Reconciliation of Final Value and Documentation

Three approaches to value are generally accepted in the performance of mass appraisal. A minimum of two approaches to value are applied to every improved parcel, as appropriate, to determine fair market value.

Review Assessment Sales Ratio Studies after Assessment

Staff appraisers review their own market-area statistics before and after assessment actions. The statistics are discussed with the chief deputy assessor to determine possible actions to be taken by the appraiser.

Notices and Public Relations

Several notices or documents are sent to the property owners with regard to the taxable status of their property:

- Changes in Valuation Notices are mailed at the end of May. The Sarpy County Website provides property information, important notices, and forms.
- Permissive Exemptions are mailed on November 1st to previous filers.
- Personal Property filing reminders are mailed in April with directions for web access to the previous year's filing.
- Homestead Exemptions are mailed at the end of January to the previous year recipients of the exemption along with those who request that forms be mailed.

Public notification takes place in a newspaper of general circulation and on the Sarpy County website. The website has an assessor's area where frequently asked questions are answered and the assessor can be contacted via e-mail. Comments and questions via email continue to increase every year and receive prompt attention. Use of our website is encouraged at every opportunity.

Level of Value, Quality and Uniformity for Assessment Year 2012

<u>Property class</u>	<u>Median</u>	<u>COD</u>	<u>PRD</u>
Commercial	98.00	8.41	103.06
Agricultural	74		

Residential 96.00 4.50 100.23

Assessment Actions Planned for Assessment Year 2013

This should be the year that we move to a new computer-assisted mass appraisal system with the goal of having a system integrated with the tax billing and collection process. Of course, a significant amount of time will be spent in training on a new appraisal product and making the system fit our needs. The vendor's familiarity with Nebraska Statutes and Regulations will be a factor in the length of time it will take to make a new system work for Sarpy County. However, we are better equipped to handle a software conversion today than at any point in our history as our staff is better educated and our cumulative years of assessment experience is very high.

Indications are that Sarpy County will still be the fastest growing county in the state. The final U.S. Census numbers have us firmly above 150,000 in population. A clear trend toward population growth outside of the cities and incorporated areas means a greater focus on rural area valuation practices. We will have a sufficient population and parcel count to merit hiring an additional residential real estate appraiser. However, efforts to win the approval of our county board to authorize said hiring have not been successful.

The assessor will continue to be an advocate for greater availability of assessment and mapping information on the internet along with downloadable and/or editable forms. Residential property owners are demanding enhanced on-line tools and information for the purpose of protesting their assessed values and making comparisons with neighboring parcels. On-line review of residential property records has helped our office update the documented physical characteristics of individual parcels. Information provided by the Sarpy County Information Systems Department indicates that the Assessor's Property Look-Up Website receives four times as many hits as any other county government website.

Progress toward our six-year cyclical property inspections should be realized as we have placed increased emphasis and technical resources toward the goal. We have realigned our appraisal resources to improve our inspection progress in the rural areas. Yet, it remains our conviction that to continue to be denied the addition of one residential real estate appraiser to our staff impedes important progress toward our inspection goals.

The collection of digital photos of improved parcels has not progressed as planned. Each appraiser is planning to increase their collecting of digital photos by devoting additional time to photographing entire subdivisions or market areas. Photos of the rear of a dwelling will be collected during the physical re-inspection of the market area. Frequent updating of digital photos is essential to our future plans to fully integrate aerial oblique imagery and perform desk-top appraisals.

Residential

Every year we run ratio studies against our sales data base for the purpose of determining the need for value adjustments in individual market areas. We will have five appraisers devoted to residential valuation processes. This number is down from six as we have shifted an appraiser to the rural areas to work permits and re-inspect rural parcels. Of course, this will make it even harder to attain the goal of visiting each residential parcel in six years time. However, we are limited to a staff of our current size as our county board of commissioners will not add personnel.

The photographing of improved residential parcels will increase as this is a necessary step toward desktop reappraisals. Current street-level photos, combined with a new Pictometry over-flight will mark the beginning of a new appraisal process.

Commercial/Industrial

Additional appraisal training will be required to properly address the growing variety of commercial construction and property uses in Sarpy County. Information from the Sarpy County Economic Development Corporation indicates a variety of prospective developments may add to the complexity of appraisal responsibilities as water parks, outlet malls, and amusement attractions are constructed.

Complex valuation appeals consume large amounts of the commercial appraiser's time in preparation for appeals to the TERC.

The appraisers will select new occupancy codes to be re-listed and re-valued. Much of this will be driven by current market transactions and the date of last inspection. Inspections of the following occupancy codes are planned: Auto Dealerships; Mini Mart; Dental Clinics; Theaters; Fitness Centers; Convenience Marts; Offices; Medical Offices; Veterinary Hospitals; and Skating Rinks.

It will likely be time to perform a land study for the purpose of determining the accuracy of the Vacant Land Discount applied to vacant lots.

Agricultural/Rural

The purchase price of agricultural land has increased substantially over the last three years without much comment from the property owners when valuation notices are delivered in June. However, the value of non-agricultural land on greenbelt parcels still draws the attention of some land owners and county board members. We have been successful at having our value determinations upheld by the full county board and look for a new state regulation to interpret the changes to state statutes from the 2011 legislative session.

The new soil map still draws skepticism from farmers as to its accuracy. We continue to refer property owners to the proper governmental authorities in the soil sciences and have facilitated same.

Reviewing the parcels receiving or requesting special valuation is ongoing. Determining agricultural or horticultural use along with the updating our Land Use maps remains essential to accurate assessed values.

Buildings constructed in the rural areas that do not require a building permit will continue to be a priority as we review the rural property characteristics documented on our records. We are hopeful that our efforts to make rural property owners familiar with the Improvement Information Statements is paying-off by fewer improvements going undocumented on assessment records.

The assessor's office has been denied funding to replace our four-wheel drive vehicle. This will hamper our efforts when inspecting rural farm land.

We are in the process of inspecting all rural properties by section and township. Estimates are that this will take two assessment cycles to complete.

We are hopeful that a new directive or regulation from the assessment division will improve our understanding of the changes to the valuation process resulting from new legislation.

General

The statistical measurements of the quality of assessment will continue to drive our decision making on which areas of the county need to be re-inspected with the exception of rural, agricultural, and recreational parcels. This group of parcels will still be in the process of improving the accuracy of our physical property characteristics.

The collection of street-level images (photos) must show some noticeable progress as many digital photos from the ground level do not exist. We have funding for yard signs and door magnets to inform the public of our photo collection efforts in area subdivisions.

Assessment Actions Planned for Assessment Year 2014

This year is significant as we must comply with 77-1301 (2):

Beginning January 1, 2014, in any county with a population of at least one hundred fifty thousand inhabitants according to the most recent federal decennial census, the county assessor shall provide notice of preliminary valuations to real property owners on or before January 15 of each year. Such notice shall be (a) mailed to the taxpayer or (b) published on a web site maintained by the county assessor or by the county.

Also, Assessment Process Regulation 50-002.01B

Additionally, the assessor shall initiate a process whereby each parcel of real property is inspected and reviewed within a six (6) year cycle. The purpose of the inspection and review process is to insure that the county assessment records are kept current and to assure that all changes to improvements, unreported improvements or changes in land use are systematically discovered and assessed. The inspection process shall be done in such a manner that logical classes are examined together. When a class or subclass has been inspected, the values of all of the parcels in that class may be updated, adjusted or completely reappraised. In the intervening years the remaining classes and subclasses that are not subject to inspection, shall be analyzed and if necessary, adjusted based on market analysis and indicators of the level of value, if there is sufficient data within the market to justify and adjustment, and if measurable change took place among the classes or subclasses that were subject to inspection and review.

Our appraisal calendar will change substantially in order to prepare for the requirement to report assessed values to the public four and one-half months earlier than previously required. This is a major change to our operations and the full impact of the change on time and resources is yet to be realized. Not only will our time in the field for data collection be shortened; our time handling questions from property owners will be lengthened. This shows every sign of reducing productivity in the area of collecting property characteristics vital to generating equal and accurate assessed values.

We should be fully operational with new, computer-assisted mass appraisal software.

Residential

Every year we run ratio studies against our sales data base for the purpose of determining the need for value adjustments in individual market areas. Reappraisal and re-inspection will continue as the Assessment Division of the Nebraska Dept. of Revenue will likely be inclined to question any shortcomings in complying with the statutes. We intend to be working with oblique aerial photography and updated street photos as we begin to implement the desk-top appraisal

process. Much of this will depend on our progress in collecting and updating our street-level digital photos. We are relying on the success of desk-top appraisals to aid us with compliance with appraisal regulations.

Commercial/Industrial

Construction of commercial buildings attracting national tenants is in the planning stages for Werner Park, Nebraska Crossing, and Southport West. Midlands Place, in Papillion, looks to showcase popular local businesses.

Appeals to the TERC have been increasing. Many are filed by out-of-state companies representing local property owners. They request a large amount of data and represent an increased workload for our commercial staff.

The appraisers will select new occupancy codes to be re-listed and re-valued. Much of this will be driven by current market transactions and the date of last inspection. National publications of rents, vacancies, and capitalization rates will be of greater use as we start to see larger commercial/industrial concerns locate in Sarpy County. We are hopeful that our efforts at more frequent and open dialogue with property owners will increase our mutual understanding of our local market and result in valuation agreements without the need for a formal hearing.

Agricultural/Rural

This sector of our property tax base has realized some substantial increases in their land values since 2009. Our presence in the rural areas will be more frequent and our property inspection plans, if successful, will result in a greater equalization of rural property values and reliable data in the assessment files. There will be two appraisers dedicated to rural valuation concerns until we can improve the quality of our data in the property file.

Assessment Actions Planned for Assessment Year 2015

Residential

Every year we run ratio studies against our sales data base for the purpose of determining the need for value adjustments in individual market areas. All residential parcels should have been inspected and re-listed at least once in the past six years. It is anticipated that new construction will be on the rise as the economy improves and the need for an additional staff appraiser will be great.

Desktop reappraisals should be fully operational and street-level photography will be ongoing to facilitate desktop requirements. Refinements will be made to the preliminary value reporting and enquiry response after the initial year's experience.

Commercial and Industrial

The number of commercial valuations that are appealed to the Nebraska Tax Equalization and Review Commission is increasing along with the time it takes to prepare for each case. Interrogatories are often issued and must be completed by our staff appraisers with the assistance of an attorney. Many out-of-state tax representatives are representing local property owners and requesting a large amount of information for case preparation. The commercial appraisal staff continues to put forward effort toward successfully coming to an agreement on valuation with

the property owner prior to a TERC hearing. Our commercial appraisers will continue to inspect and re-value several occupancy types of commercial property each year.

We anticipate a change in personnel involved with commercial valuation resulting from the retirement of one appraiser. The position will be filled from within from the residential or rural appraiser ranks.

Agricultural/Rural

We deal with rural valuation issues, daily. While the number of acres of agricultural land declines, the number of rural residences increases. Important TERC decisions from 2009 and 2010 indicate that our methodology in interpreting and applying our market data to a valuation model for rural sites (land adjoining agricultural that is not considered to be agricultural land) is generally sound. However, the valuation disparities with Douglas County frustrate local property owners and bring our valuations into question. In 2011, we ran sales analysis as we did in the two previous years while putting greater effort into identifying market characteristics that have helped us in develop market-derived adjustments for negative or positive influences to value. Law changes should have greenbelt counties deriving rural land values from similar models.

2013 Assessment Survey for Sarpy County

A. Staffing and Funding Information

1.	Deputy(ies) on staff:
	One
2.	Appraiser(s) on staff:
	Nine
3.	Other full-time employees:
	Eight
4.	Other part-time employees:
	None
5.	Number of shared employees:
	None
6.	Assessor's requested budget for current fiscal year:
	\$1,318,133.00
7.	Adopted budget, or granted budget if different from above:
	\$1,278,613.00
8.	Amount of the total assessor's budget set aside for appraisal work:
	N/A
9.	If appraisal/reappraisal budget is a separate levied fund, what is that amount:
	N/A
10.	Part of the assessor's budget that is dedicated to the computer system:
	\$4,800.00
11.	Amount of the assessor's budget set aside for education/workshops:
	\$7,200.00
12.	Other miscellaneous funds:
	None
13.	Amount of last year's assessor's budget not used:
	All funding was used.

B. Computer, Automation Information and GIS

1.	Administrative software:
	Terra-Scan
2.	CAMA software:
	Terra-Scan
3.	Are cadastral maps currently being used?
	Digital maps are provided through the GIS system
4.	If so, who maintains the Cadastral Maps?
	Assessor, in coordination with the GIS mapping staff
5.	Does the county have GIS software?
	Yes

6.	Is GIS available to the public? If so, what is the web address?
	www.sarpy.com
7.	Who maintains the GIS software and maps?
	Information Systems Department of Sarpy County
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?
	Papillion, La Vista, Bellevue, Gretna, Springfield, Sarpy County
4.	When was zoning implemented?
	N/A

D. Contracted Services

1.	Appraisal Services:
	No outside appraisal contracts.
2.	GIS Services:
	In-house
3.	Other services:
	Printing of valuation change notices and informational post cards.

E. Appraisal /Listing Services

1.	Does the county employ outside help for appraisal or listing services?
	N/A
2.	If so, is the appraisal or listing service performed under contract?
	N/A
3.	What appraisal certifications or qualifications does the County require?
	N/A
4.	Have the existing contracts been approved by the PTA?
	N/A
5.	Does the appraisal or listing service providers establish assessed values for the county?
	N/A

2013 Certification for Sarpy County

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 Sarpy County Assessor.

Dated this 5th day of April, 2013.



A handwritten signature in black ink that reads "Ruth A. Sorensen".

Ruth A. Sorensen
Property Tax Administrator

