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2010 Commission Summary

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Residential Real Property - Current

Number of Sales	135	Median	96
Total Sales Price	\$9,346,351	Mean	99
Total Adj. Sales Price	\$9,344,101	Wgt. Mean	92
Total Assessed Value	\$8,629,494	Average Assessed Value of the Base	\$48,697
Avg. Adj. Sales Price	\$69,216	Avg. Assessed Value	\$63,922

Confidence Interval - Current

95% Median C.I	92.22 to 98.29
95% Mean C.I	92.78 to 105.93
95% Wgt. Mean C.I	88.08 to 96.62

% of Value of the Class of all Real Property Value in the County	11.70
% of Records Sold in the Study Period	5.18
% of Value Sold in the Study Period	6.80

Residential Real Property - History

Year	Number of Sales	LOV	Median
2009	144	96	96
2008	132	99	99
2007	147	99	99
2006	175	99	99

2010 Commission Summary

16 Cherry

Commercial Real Property - Current

Number of Sales	24	Median	97
Total Sales Price	\$2,987,568	Mean	101
Total Adj. Sales Price	\$2,987,368	Wgt. Mean	88
Total Assessed Value	\$2,634,746	Average Assessed Value of the Base	\$76,229
Avg. Adj. Sales Price	\$124,474	Avg. Assessed Value	\$109,781

Confidence Interval - Current

95% Median C.I	81.47 to 106.01
95% Mean C.I	81.57 to 120.32
95% Wgt. Mean C.I	73.01 to 103.38

% of Value of the Class of all Real Property Value in the County	4.09
% of Records Sold in the Study Period	4.12
% of Value Sold in the Study Period	5.94

Commercial Real Property - History

Year	Number of Sales	LOV	Median
2009	31	99	99
2008	38	99	99
2007	34	99	99
2006	37	92	92

2010 Opinions of the Property Tax Administrator for Cherry 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 (R. S. Supp., 2005). 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 this 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.

Residential Real Property

It is my opinion that the level of value of the class of residential real property in Cherry County is 96% of market value. The quality of assessment for the class of residential real property in Cherry County indicates the assessment practices meet generally accepted mass appraisal practices.

Commercial Real Property

It is my opinion that the level of value of the class of commercial real property in Cherry County is 97% of market value. The quality of assessment for the class of commercial real property in Cherry County indicates the assessment practices meet generally accepted mass appraisal practices.

Agricultural Land or Special Valuation of Agricultural Land

It is my opinion that the level of value of the class of agricultural land in Cherry County is 69% of market value. The quality of assessment for the class of agricultural land in Cherry County indicates the assessment practices meet generally accepted mass appraisal practices.

Dated this 7th day of April, 2010.



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

Ruth A. Sorensen
Property Tax Administrator

2010 Assessment Actions for Cherry County

taken to address the following property classes/subclasses:

Residential

The residential market has been abnormally slow. The office made an inspection of Crookston and Nenzel villages. Property record cards were updated if changes had been made. No overall value adjustments were warranted.

Annually a review of the rural residential subdivisions is made, and appropriate adjustments applied if needed.

The appraisal maintenance of all residential properties was completed.

New hard copy property record files were made for all residential and commercial parcels. As an additional aid to the public, some of the villages were contacted and street addresses were entered into the data system.

Lot values in the villages were to be reviewed this year, but due to an unforeseen accident the contracted appraiser was not available to spend time on this project. It will be carried over into 2011.

2010 Assessment Survey for Cherry County

Residential Appraisal Information

1.	Valuation data collection done by:
	Knoche Appraisal and office staff.
2.	List the valuation groupings used by the County:
	Valuation Grouping 1 – Valentine Valuation Grouping 2 – Rural V Valuation Grouping 3 – Cody Valuation Grouping 4 – Crookston Valuation Grouping 5 – Kilgore Valuation Grouping 6 – Merriman Valuation Grouping 7 – Wood Lake Valuation Grouping 8 – Rural Valuation Grouping 9 - Nenzel
a.	Describe the specific characteristics of the valuation groupings that make them unique.
	<p>The characteristics the assessor feels makes each of these groupings unique are: location, aesthetic value, market, population, school or no school, and distance to primary towns.</p> <ol style="list-style-type: none"> 1) Valentine: population - approximately 2800; schools - elementary, middle, and high school; full services 2) Rural V: population – approximately 100; within one mile jurisdiction of Valentine but out of city limits; school – attend Valentine schools; rely on services out of Valentine 3) Cody: population – approximately 149; distance from Valentine – 42 miles west; school – a high school; Cody also can provide some services to nearest villages not wanting to travel into Valentine 4) Crookston: population – approximately 96; distance from Valentine – 11 miles west; no school or services 5) Kilgore: population – approximately 99; distance from Valentine – 22 miles west; school – an elementary; services – welding shop, convenience store and bar 6) Merriman: population – approximately 118; distance from Valentine – 60 miles west; school – an elementary; services – service station, bar, repair stores, post office and café 7) Wood Lake: population – approximately 72; distance from Valentine – 25 miles east; school – an elementary; services – café, service station, gift store along highway 20 8) Rural: countywide, will vary in distance from Valentine, is designated by neighborhoods, differing with location and aesthetic value. 9) Nenzel: population – approximately 13; distance from Valentine – 35 miles

	west; no school or services does not even levy tax for the village; there is a Catholic church.
3.	What approach(es) to value is/are used for this class to estimate the market value of properties? List or describe.
	Primarily the cost approach less depreciation derived from the market.
4	When was the last lot value study completed?
	The rural residential acreages annually, towns and villages were done in 2005.
a.	What methodology was used to determine the residential lot values?
	From the market a cost per square foot was derived.
5.	Is the same costing year for the cost approach being used for the entire valuation grouping? If not, identify and explain the differences?
	Yes
6.	Does the County develop the depreciation study(ies) based on local market information or does the County use the tables provided by their CAMA vender?
	The depreciation established from the market has not been built into the CAMA system; it is applied during the review process.
a.	How often does the County update depreciation tables?
	Upon a review of the property class if needed.
7.	Pickup work:
a.	Is pickup work done annually and is it completed by March 19th?
	Yes
b.	By Whom?
	Knoche Appraisal and staff.
c.	Is the valuation process (cost date and depreciation schedule or market comparison) used for the pickup work the same as the one that was used for the valuation group?
	Yes
8.	What is the County's progress with the 6 year inspection and review requirement? (Statute 77-1311.03)
	2009 – Cody, Merriman, and Wood Lake villages. 2009 – Agricultural photos of entire county, site plans reviewed and mailed to owners for verification. 2010 – Crookston, Kilgore, and Nenzel (unincorporated) villages.

a.	Does the County maintain a tracking process? If yes describe.
	Yes – the 3-Yr Plan of Assessment and Assessment Survey A chart is also being utilized to chart notes, percent of completion and year done.
b.	How are the results of the portion of the properties inspected and reviewed applied to the balance of the county?
	Any physical changes will be corrected; however, no new costing will be applied unless applied to the total valuation group.

PAD 2010 R&O Statistics

Base Stat

State Stat Run

Type: Qualified

Date Range: 07/01/2007 to 06/30/2009 Posted Before: 02/15/2010

NUMBER of Sales:	135	MEDIAN:	96	COV:	39.26	95% Median C.I.:	92.22 to 98.29	(! : Derived)
TOTAL Sales Price:	9,346,351	WGT. MEAN:	92	STD:	39.00	95% Wgt. Mean C.I.:	88.08 to 96.62	
TOTAL Adj.Sales Price:	9,344,101	MEAN:	99	AVG.ABS.DEV:	23.76	95% Mean C.I.:	92.78 to 105.93	
TOTAL Assessed Value:	8,629,494							
AVG. Adj. Sales Price:	69,215	COD:	24.72	MAX Sales Ratio:	331.56			
AVG. Assessed Value:	63,922	PRD:	107.58	MIN Sales Ratio:	21.75			

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DATE OF SALE *	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
<u>Qrtrs</u>											
07/01/07 TO 09/30/07	29	98.15	102.70	92.68	28.33	110.81	29.14	331.56	86.00 to 102.39	56,483	52,349
10/01/07 TO 12/31/07	13	85.46	92.70	82.50	26.34	112.36	56.00	162.08	65.00 to 125.04	58,396	48,178
01/01/08 TO 03/31/08	13	94.60	91.76	88.88	18.96	103.25	57.63	141.67	63.88 to 113.93	94,192	83,716
04/01/08 TO 06/30/08	20	96.97	97.85	91.26	13.30	107.22	62.06	140.89	91.99 to 107.77	85,220	77,773
07/01/08 TO 09/30/08	22	97.54	102.76	104.37	26.48	98.46	21.75	200.43	81.54 to 110.70	54,941	57,344
10/01/08 TO 12/31/08	24	94.31	98.69	88.15	31.71	111.96	21.95	249.73	76.78 to 113.60	57,181	50,404
01/01/09 TO 03/31/09	5	99.43	105.38	100.35	20.03	105.01	72.28	150.32	N/A	113,800	114,195
04/01/09 TO 06/30/09	9	98.37	102.59	92.05	21.09	111.45	55.85	182.03	69.87 to 116.95	96,441	88,774
<u>Study Years</u>											
07/01/07 TO 06/30/08	75	94.62	97.78	89.90	22.76	108.76	29.14	331.56	90.44 to 98.15	71,014	63,843
07/01/08 TO 06/30/09	60	97.07	101.33	95.60	27.24	105.99	21.75	249.73	91.17 to 104.06	66,967	64,020
<u>Calendar Yrs</u>											
01/01/08 TO 12/31/08	79	94.68	98.47	92.83	23.89	106.07	21.75	249.73	92.10 to 99.84	69,746	64,747
<u>ALL</u>											
	135	96.10	99.36	92.35	24.72	107.58	21.75	331.56	92.22 to 98.29	69,215	63,922

VALUATION GROUP	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
01	91	97.38	105.95	94.87	22.94	111.69	29.14	331.56	92.92 to 102.11	64,866	61,535
02	8	94.90	90.45	90.29	13.15	100.18	58.76	113.19	58.76 to 113.19	151,577	136,861
03	6	98.10	97.37	96.57	1.41	100.82	91.99	99.84	91.99 to 99.84	53,166	51,345
04	9	59.97	66.93	88.05	42.06	76.02	21.75	122.65	23.20 to 102.39	14,261	12,556
05	2	57.68	57.68	59.42	8.70	97.08	52.66	62.70	N/A	27,500	16,339
06	4	65.80	87.83	78.47	42.38	111.92	57.63	162.08	N/A	8,500	6,670
07	2	152.79	152.79	244.72	63.45	62.43	55.85	249.73	N/A	5,132	12,560
08	12	92.37	88.89	85.45	19.12	104.03	55.18	134.44	70.01 to 105.01	139,125	118,876
09	1	21.95	21.95	21.95			21.95	21.95	N/A	12,500	2,744
<u>ALL</u>											
	135	96.10	99.36	92.35	24.72	107.58	21.75	331.56	92.22 to 98.29	69,215	63,922

STATUS: IMPROVED, UNIMPROVED & IOLL	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
1	118	96.94	102.98	92.30	22.46	111.57	55.18	331.56	92.60 to 99.62	77,125	71,185
2	17	65.00	74.20	94.33	50.69	78.66	21.75	141.67	29.14 to 107.22	14,313	13,502
<u>ALL</u>											
	135	96.10	99.36	92.35	24.72	107.58	21.75	331.56	92.22 to 98.29	69,215	63,922

PAD 2010 R&O Statistics

Base Stat

State Stat Run

Type: Qualified

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TOTAL Adj.Sales Price:	9,344,101	MEAN:	99	AVG.ABS.DEV:	23.76	95% Mean C.I.:	92.78 to 105.93	
TOTAL Assessed Value:	8,629,494							
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AVG. Assessed Value:	63,922	PRD:	107.58	MIN Sales Ratio:	21.75			

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PROPERTY TYPE *

RANGE	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
01	134	95.63	99.35	92.32	25.00	107.61	21.75	331.56	92.22 to 98.15	69,463	64,129
06											
07	1	100.41	100.41	100.41			100.41	100.41	N/A	36,000	36,148
ALL											
	135	96.10	99.36	92.35	24.72	107.58	21.75	331.56	92.22 to 98.29	69,215	63,922

SALE PRICE *

RANGE	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
Low \$											
1 TO 4999	7	56.00	58.04	73.86	37.92	78.57	21.75	126.83	21.75 to 126.83	1,673	1,236
5000 TO 9999	7	102.11	103.94	105.09	37.53	98.90	29.14	162.08	29.14 to 162.08	6,785	7,131
Total \$											
1 TO 9999	14	61.32	80.99	98.91	62.11	81.88	21.75	162.08	29.14 to 134.44	4,229	4,183
10000 TO 29999	33	107.35	120.70	118.92	37.19	101.50	21.95	331.56	94.31 to 125.04	16,560	19,693
30000 TO 59999	28	98.10	100.65	101.50	17.06	99.16	62.70	193.67	93.85 to 101.40	45,154	45,832
60000 TO 99999	28	94.92	97.10	97.56	11.75	99.53	58.76	120.69	91.99 to 107.22	74,826	73,002
100000 TO 149999	13	90.25	87.92	88.04	12.40	99.86	55.18	107.25	78.50 to 104.06	124,192	109,337
150000 TO 249999	17	91.17	87.03	87.23	13.73	99.78	58.44	113.19	70.01 to 99.62	187,023	163,137
250000 TO 499999	2	68.23	68.23	68.19	2.40	100.06	66.59	69.87	N/A	292,500	199,452
ALL											
	135	96.10	99.36	92.35	24.72	107.58	21.75	331.56	92.22 to 98.29	69,215	63,922

**2010 Correlation Section
for Cherry County**

Residential Real Property

I. Correlation

The level of value for the residential real property in Cherry County, as determined by the PTA is 96%. The mathematically calculated median is 96%.

RESIDENTIAL:It is the opinion of the Division that the level of value for the residential class of property as evidenced by the calculated median from the statistical sample of 135 sales is 96%. Even though the coefficient of dispersion and the price related differential are above the prescribed parameters it is believed that because of the known assessment practices the residential properties are being treated in a uniform and proportionate manner. The assessor has developed an adequate sales review process and utilizes as many sales as possible with no bias in the selection. The assessor tries to stay on task with the three year plan of assessment and six year cycle of physical inspection and review.

In the 2010 R&O Statistics under Status: Improved, Unimproved and IOLL, sub strata (2) Unimproved, this small grouping of sales appear to indicate issues with the vacant properties that are scattered throughout the various towns and villages. The plan was to have the contracted appraiser, Jerry Knoche, do a market analysis of the lot values in each of the seven towns that are spread across Cherry County. However, due to an untimely accident the appraiser was unable to dedicate the necessary time to this project. The assessor feels that the Valuation Groupings have been properly identified and even though some of the samples are small most will be representative of the population. The groupings are beneficial in the valuation of each unique town or village, it would not be logical to do blanket adjustments based on sub stratum that would cause equality issues when vacant and improved lots sitting side by side would no longer carry the same value per square foot.

There will be no non-binding recommendations made for the residential class of property.

**2010 Correlation Section
for Cherry County**

II. Analysis of Sales Verification

Neb. Rev. Stat. 77-1327(2) 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 (2007), 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 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.

RESIDENTIAL: The residential sales verification in Cherry County is handled by approximately eighty-percent telephone interview. Personal knowledge is helpful in some instances. Questionnaires have been mailed out in the past but the response was very poor. All pertinent information is documented on either the supplemental sheet that is filled out in conjunction with the 521 or on a blank questionnaire and kept on file with a copy of the 521. The contracted appraiser will also assist when doing a total review of a town or neighborhood.

After a review of the qualified and non-qualified sales most were discovered to be family transactions, partial interests, splits and so. It has been determined that no bias exists in the selection of qualified sales and the assessor is using as many sales as possible in the analysis of the residential class of property.

**2010 Correlation Section
for Cherry County**

III. Measure 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 in 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 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.

	Median	Wgt. Mean	Mean
R&O Statistics	96	92	99

**2010 Correlation Section
for Cherry County**

IV. 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 International Association of Assessing Officers recommended ratio study performance standards are as follows:

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

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

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

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

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

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

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

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

There is no range of acceptability stated in the Nebraska statutes for the PRD measure. The Standard of Ratio Studies, adopted by the International Association of Assessing Officers, July,

**2010 Correlation Section
for Cherry County**

2007, 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. 247.

The analysis in this section displays the calculated COD and PRD measures for Cherry County, which are considered as one part of the analysis of the County's assessment practices.

	COD	PRD
R&O Statistics	24.72	107.58

RESIDENTIAL: The coefficient of dispersion and price related differential are indicating issues with uniformity and regressive assessments. However when analyzing the low dollar sales, the location and population, ranging from approximately 72 to 2800, of the small villages it is apparent that the market is unorganized for these residential properties making it difficult to manage quality statistics. Because the known assessment practices are reliable and consistent it is believed the residential class of property is being treated in the most uniform and proportionate manner possible.

2010 Assessment Actions for Cherry County

taken to address the following property classes/subclasses:

Commercial

The commercial market showed little activity over the past year.

Appraisal maintenance was completed for the commercial class, which included a new restaurant and a partial value on the new championship golf course.

The new championship golf course will be examined this spring for development of its greens and buildings. It is anticipated that there will be value adjustments to both land and improvements.

2010 Assessment Survey for Cherry County

Commercial / Industrial Appraisal Information

1.	Valuation data collection done by:
	Knoche Appraisal
2.	List the valuation groupings used by the County:
	Valuation Grouping 1 – Valentine Valuation Grouping 2 – Rural V Valuation Grouping 3 – Cody Valuation Grouping 4 – Crookston Valuation Grouping 5 – Kilgore Valuation Grouping 6 – Merriman Valuation Grouping 7 – Wood Lake Valuation Grouping 8 – Rural Valuation Grouping 9 - Nenzel
a.	Describe the specific characteristics of the valuation groupings that make them unique.
	The assessor feels that location and population has a significant impact on the market within the various valuation groupings. <ol style="list-style-type: none"> 1) Valentine – has full services and active commercial businesses of all types. 2) Rural V – services offered are those provided by Valentine. Has no city water, all on septic systems and wells, most are acreages. 3) Cody – there are several commercial businesses on Main Street. Cody is the highlight among the villages since it is such a well-maintained area. 4) Crookston – No operating commercial businesses. 5) Kilgore – the few businesses are not as well maintained. 6) Merriman – is closer to Gordon, Nebraska (Sheridan County) 30 miles on to the west, than it is to Valentine. 7) Wood Lake – three commercials along east highway 20. 8) Rural – varies around the county mostly by location. 9) Nenzel – no operating commercial businesses.
3.	What approach(es) to value is/are used for this class to estimate the market value of properties? List or describe.
	Primarily the cost approach and the income approach if income and expense data can be obtained.
4	When was the last lot value study completed?
	2007
a.	What methodology was used to determine the commercial lot values?
	From the market a square foot cost was derived.

5.	Is the same costing year for the cost approach being used for entire valuation grouping? If not, identify and explain the differences?
	Yes
6.	Does the County develop the depreciation study(ies) based on local market information or does the County use the tables provided by their CAMA vender?
	Depreciation is not built into the CAMA system, rather developed from the market and applied during the review process.
a.	How often does the County update the depreciation tables?
	Upon a review of the property class if needed.
7.	Pickup work:
a.	Is pickup work done annually and is it completed by March 19th?
	Yes
b.	By Whom?
	Knoche Appraisal
c.	Is the valuation process (cost date and depreciation schedule or market comparison) used for the pickup work the same as the one that was used for the valuation group?
	Yes
8.	What is the Counties progress with the 6 year inspection and review requirement? (Statute 77-1311.03)
	No commercial properties have been reviewed yet.
a.	Does the County maintain a tracking process? If yes describe.
	Yes – the 3-Yr Plan of Assessment and Assessment Survey A chart is also being utilized to chart notes, percent of completion and year done.
b.	How are the results of the portion of the properties inspected and reviewed applied to the balance of the county?
	When inspected and reviewed, all physical changes will be implemented, but no new costing applied unless applied to the total grouping.

PAD 2010 R&O Statistics

Base Stat

State Stat Run

Type: Qualified

Date Range: 07/01/2006 to 06/30/2009 Posted Before: 02/15/2010

NUMBER of Sales:	24	MEDIAN:	97	COV:	45.44	95% Median C.I.:	81.47 to 106.01
TOTAL Sales Price:	2,987,568	WGT. MEAN:	88	STD:	45.87	95% Wgt. Mean C.I.:	73.01 to 103.38
TOTAL Adj.Sales Price:	2,987,368	MEAN:	101	AVG.ABS.DEV:	26.70	95% Mean C.I.:	81.57 to 120.32
TOTAL Assessed Value:	2,634,746						
AVG. Adj. Sales Price:	124,473	COD:	27.49	MAX Sales Ratio:	271.00		
AVG. Assessed Value:	109,781	PRD:	114.45	MIN Sales Ratio:	20.23		

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DATE OF SALE *	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
<u>Qrtrs</u>											
07/01/06 TO 09/30/06	1	98.17	98.17	98.17			98.17	98.17	N/A	60,000	58,900
10/01/06 TO 12/31/06	3	116.49	116.49	125.60	7.87	92.75	102.74	130.25	N/A	142,356	178,805
01/01/07 TO 03/31/07	2	77.10	77.10	58.74	28.14	131.26	55.41	98.80	N/A	162,500	95,458
04/01/07 TO 06/30/07	3	93.80	94.97	100.21	4.36	94.77	89.43	101.69	N/A	64,666	64,805
07/01/07 TO 09/30/07	3	106.01	109.60	87.04	25.08	125.91	71.52	151.27	N/A	91,766	79,877
10/01/07 TO 12/31/07	1	81.47	81.47	81.47			81.47	81.47	N/A	190,000	154,800
01/01/08 TO 03/31/08	1	69.56	69.56	69.56			69.56	69.56	N/A	600,000	417,360
04/01/08 TO 06/30/08	3	96.72	109.90	96.99	23.97	113.31	81.71	151.27	N/A	185,500	179,922
07/01/08 TO 09/30/08	1	85.60	85.60	85.60			85.60	85.60	N/A	7,500	6,420
10/01/08 TO 12/31/08	3	74.88	138.82	76.79	89.21	180.79	70.59	271.00	N/A	45,000	34,555
01/01/09 TO 03/31/09	2	63.38	63.38	88.35	68.08	71.73	20.23	106.52	N/A	104,500	92,326
04/01/09 TO 06/30/09	1	97.50	97.50	97.50			97.50	97.50	N/A	8,000	7,800
<u>Study Years</u>											
07/01/06 TO 06/30/07	9	98.80	98.53	97.47	12.86	101.09	55.41	130.25	89.43 to 116.49	111,785	108,960
07/01/07 TO 06/30/08	8	89.22	101.19	83.34	28.16	121.42	69.56	151.27	69.56 to 151.27	202,725	168,945
07/01/08 TO 06/30/09	7	85.60	103.76	84.16	51.62	123.30	20.23	271.00	20.23 to 271.00	51,357	43,219
<u>Calendar Yrs</u>											
01/01/07 TO 12/31/07	9	93.80	94.38	79.22	18.95	119.13	55.41	151.27	71.52 to 106.01	109,366	86,640
01/01/08 TO 12/31/08	8	83.66	112.67	82.16	46.00	137.14	69.56	271.00	69.56 to 271.00	162,375	133,401
<u>ALL</u>											
	24	97.11	100.94	88.20	27.49	114.45	20.23	271.00	81.47 to 106.01	124,473	109,781

VALUATION GROUP	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
01	18	97.11	97.24	88.10	17.08	110.37	69.56	151.27	81.47 to 102.74	129,420	114,024
02	1	55.41	55.41	55.41			55.41	55.41	N/A	300,000	166,216
04	1	271.00	271.00	271.00			271.00	271.00	N/A	1,500	4,065
05	1	20.23	20.23	20.23			20.23	20.23	N/A	44,000	8,903
06	1	89.43	89.43	89.43			89.43	89.43	N/A	4,000	3,577
08	2	118.13	118.13	129.59	10.26	91.15	106.01	130.25	N/A	154,150	199,770
<u>ALL</u>											
	24	97.11	100.94	88.20	27.49	114.45	20.23	271.00	81.47 to 106.01	124,473	109,781

PAD 2010 R&O Statistics

Base Stat

State Stat Run

Type: Qualified

Date Range: 07/01/2006 to 06/30/2009 Posted Before: 02/15/2010

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STATUS: IMPROVED, UNIMPROVED & IOLL

RANGE	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
1	19	96.72	103.17	88.09	31.97	117.11	20.23	271.00	74.88 to 116.49	154,631	136,220
2	5	97.50	92.49	94.30	10.78	98.08	70.59	106.01	N/A	9,874	9,311
ALL	24	97.11	100.94	88.20	27.49	114.45	20.23	271.00	81.47 to 106.01	124,473	109,781

PROPERTY TYPE *

RANGE	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
02											
03	24	97.11	100.94	88.20	27.49	114.45	20.23	271.00	81.47 to 106.01	124,473	109,781
04											
ALL	24	97.11	100.94	88.20	27.49	114.45	20.23	271.00	81.47 to 106.01	124,473	109,781

SALE PRICE *

RANGE	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
Low \$											
1 TO 4999	2	180.22	180.22	138.95	50.38	129.70	89.43	271.00	N/A	2,750	3,821
5000 TO 9999	4	91.55	89.93	89.84	12.92	100.09	70.59	106.01	N/A	8,075	7,254
Total \$											
1 TO 9999	6	93.47	120.02	96.99	40.82	123.75	70.59	271.00	70.59 to 271.00	6,300	6,110
10000 TO 29999	2	100.77	100.77	100.40	1.95	100.37	98.80	102.74	N/A	21,035	21,119
30000 TO 59999	4	122.54	104.14	108.22	38.46	96.23	20.23	151.27	N/A	43,500	47,077
60000 TO 99999	1	98.17	98.17	98.17			98.17	98.17	N/A	60,000	58,900
100000 TO 149999	2	95.69	95.69	94.36	21.74	101.41	74.88	116.49	N/A	117,499	110,867
150000 TO 249999	5	81.71	88.58	87.28	13.52	101.49	71.52	106.52	N/A	180,700	157,717
250000 TO 499999	3	96.72	94.13	94.22	25.79	99.90	55.41	130.25	N/A	311,666	293,652
500000 +	1	69.56	69.56	69.56			69.56	69.56	N/A	600,000	417,360
ALL	24	97.11	100.94	88.20	27.49	114.45	20.23	271.00	81.47 to 106.01	124,473	109,781

PAD 2010 R&O Statistics

Base Stat

State Stat Run

Type: Qualified

Date Range: 07/01/2006 to 06/30/2009 Posted Before: 02/15/2010

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AVG. Assessed Value:	109,781	PRD:	114.45	MIN Sales Ratio:	20.23		

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OCCUPANCY CODE

RANGE	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
(blank)	7	89.43	90.51	84.61	10.92	106.97	70.59	106.01	70.59 to 106.01	32,124	27,181
300	2	84.12	84.12	86.81	14.98	96.90	71.52	96.72	N/A	276,000	239,600
311	1	130.25	130.25	130.25			130.25	130.25	N/A	300,000	390,742
341	1	101.69	101.69	101.69			101.69	101.69	N/A	160,000	162,700
344	1	81.47	81.47	81.47			81.47	81.47	N/A	190,000	154,800
350	2	151.27	151.27	151.27	0.00	100.00	151.27	151.27	N/A	50,000	75,633
352	1	74.88	74.88	74.88			74.88	74.88	N/A	125,000	93,600
353	1	93.80	93.80	93.80			93.80	93.80	N/A	30,000	28,140
406	4	111.51	148.05	109.02	40.98	135.80	98.17	271.00	N/A	84,124	91,712
499	1	98.80	98.80	98.80			98.80	98.80	N/A	25,000	24,700
528	2	37.82	37.82	50.91	46.51	74.29	20.23	55.41	N/A	172,000	87,559
531	1	69.56	69.56	69.56			69.56	69.56	N/A	600,000	417,360
<u>ALL</u>	<u>24</u>	<u>97.11</u>	<u>100.94</u>	<u>88.20</u>	<u>27.49</u>	<u>114.45</u>	<u>20.23</u>	<u>271.00</u>	<u>81.47 to 106.01</u>	<u>124,473</u>	<u>109,781</u>

**2010 Correlation Section
for Cherry County**

Commerical Real Property

I. Correlation

The level of value for the commercial real property in Cherry County, as determined by the PTA is 97%. The mathematically calculated median is 97%.

COMMERCIAL:It is the opinion of the Division that the level of value for the commercial class of property as evidenced by the calculated median from the statistical sampling of 24 sales is 97%. The coefficient of dispersion and the price related differential are above the prescribed parameters, this would not be uncommon within the commercial class of property because of unorganized markets and the diversity of the sales. It is believed that because of the known assessment practices the commercial properties are being treated in a uniform and proportionate manner. The assessor has developed an adequate sales review process and utilizes as many sales as possible with no bias in the selection. The assessor tries to stay on task with the three year plan of assessment and six year cycle of physical inspection and review.

There will be no non-binding recommendations made for the commercial class of property.

**2010 Correlation Section
for Cherry County**

II. Analysis of Sales Verification

Neb. Rev. Stat. 77-1327(2) 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 (2007), 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 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.

COMMERCIAL: The commercial sales verification is handled primarily with telephone interviews; all information is documented and kept on file with a copy of the 521. The contracted appraiser will also assist when doing a total review of a town or neighborhood.

A review of the qualified and non-qualified sales revealed those deemed to be non-arms length transactions were the typical exchange for like property, change of use, foreclosure and substantially changed properties. It appears no bias exists in the selection of qualified sales and the assessor is using as many sales as possible in the analysis and valuation process of the commercial class of property.

**2010 Correlation Section
for Cherry County**

III. Measure 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 in 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 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.

	Median	Wgt. Mean	Mean
R&O Statistics	97	88	101

**2010 Correlation Section
for Cherry County**

IV. 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 International Association of Assessing Officers recommended ratio study performance standards are as follows:

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

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

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

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

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

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

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

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

There is no range of acceptability stated in the Nebraska statutes for the PRD measure. The Standard of Ratio Studies, adopted by the International Association of Assessing Officers, July,

**2010 Correlation Section
for Cherry County**

2007, 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. 247.

The analysis in this section displays the calculated COD and PRD measures for Cherry County, which are considered as one part of the analysis of the County's assessment practices.

	COD	PRD
R&O Statistics	27.49	114.45

COMMERCIAL: The qualitative measures are both outside the acceptable standards and are indicating possible issues with uniformity and regressive assessments within the commercial class of property. The reliance on these measures weakens when such factors as remote location, diversity of the sales, and an unorganized market within and across the various towns are taken into consideration. No outlier(s) seem to be affecting the statistics.

Based on the known assessment practices it is believed the commercial class of property is being treated in the most uniform and proportionate manner possible.

**Agricultural or Special
Valuation Reports**

2010 Assessment Actions for Cherry County

taken to address the following property classes/subclasses:

Agricultural

The soil conversion from alpha to numeric symbols has been completed.

After an analysis of the agricultural land market values were adjusted accordingly to be within the statutory requirements. The irrigation subclasses went up approximately 13-35%, the dry land subclasses went up approximately 10-14%, the subclasses of meadow went up approximately 16-20%, and the grass went up approximately 3%.

In April 2009, Cherry County contracted with Morningstar Photography to take aerial photos of improved sites through out Cherry County. That being accomplished, the office copied and mailed to all agricultural improvement owners their site plans for their review and confirmation of buildings, either added or removed since 2004-2005. In 2004-2005 a contracted appraiser physically revalued the county's rural parcels.

The public's response to their site plans was very satisfactory. These site plans not only served as a review for added or deleted buildings, but also taxpayers were reminded of what they were actually paying taxes on. On parcels where discrepancies were found, either through the assessors review or the taxpayers, information was gathered and the improvements were either added or removed. Figuring this to be a two-year project, a more in-depth research of all rural parcels will be done in the spring and summer of 2010.

2010 Assessment Survey for Cherry County

Agricultural Appraisal Information

1.	Valuation data collection done by:
	Knoche Appraisal and office staff.
2.	Does the County maintain more than one market area / valuation grouping in the agricultural property class?
	No
a.	What is the process used to determine and monitor market areas / valuation groupings? (Neb. Rev. Stat. § 77-1363) List or describe. Class or subclass includes, but not limited to, the classifications of agricultural land listed in section 77-1363, parcel use, parcel type, location, geographic characteristics, zoning, city size, parcel size and market characteristics.
	Cherry County is predominantly grass land (approximately 96%), the remaining agricultural land is a mixture of irrigated, dry, and waste acres. Of the 96% grass, over 2.95 million of these acres fall within the 4G1 and 4G subclasses.
b.	Describe the specific characteristics of the market area / valuation groupings that make them unique?
	There are no differences.
3.	Agricultural Land
a.	How is agricultural land defined in this county?
	Per statute 77-1359 and 77-1363.
b.	When is it agricultural land, when is it residential, when is it recreational?
	It is deemed agricultural land when it has the ability to conform to statute 77-1359 and 77-1363, and when held against standard agricultural practices of Cherry County. If it does not then it falls into the residential or recreational category.
c.	Are these definitions in writing?
	No
d.	What are the recognized differences?
	Primarily use: used for residential or the commercial production of agricultural products.
e.	How are rural homes sites valued?
	Rural homes sites are valued at \$5000 per acre.
f.	Are rural farm home sites valued the same as rural residential home sites?

	No they are not. Rural residential sites are valued like any other residential property at a dollar per square foot.
g.	Are all rural home sites valued the same or are market differences recognized?
	Rural home sites are valued the same. The rural home site does not appear to rely on amenities quite like the rural residential sites do. The market does not seem to recognize a difference in the acre, regardless of where it is located.
h.	What are the recognized differences?
	The recognized differences are the rural residential sites. Amenities such as canyon, view, rivers, or lack of any of these bear their differences in the market. This is then recognized in the value.
4.	What is the status of the soil conversion from the alpha to numeric notation?
	The soil conversion will be in place for 2010.
a.	Are land capability groupings (LCG) used to determine assessed value?
	The inventory of the agricultural acres as noted by the LCG's is helpful in determining where the majority of the acres are that are selling and what is driving the market.
b.	What other land characteristics or analysis are/is used to determine assessed values?
	The analysis and valuation of the meadows in Cherry County has been done through the identification of the soils. Land use is also examined to identify irrigated and dry land acres.
5.	Is land use updated annually?
	Since 2005 it has been done annually.
a.	By what method? (Physical inspection, FSA maps, etc.)
	Physical inspection, FSA maps, questionnaires and interviews.
6.	Is there agricultural land in the County that has a non-agricultural influence?
	Land that has sold and not being used for agricultural purposes is considered residential.
a.	How is the County developing the value for non-agricultural influences?
	Market analysis.
b.	Has the County received applications for special valuation?
	No
c.	Describe special value methodology
	Not applicable.

7	Pickup work:
a.	Is pickup work done annually and is it completed by March 19th?
	Yes
b.	By Whom?
	Knoche Appraisal & office staff.
c.	Is the valuation process (cost date and depreciation schedule or market comparison) used for the pickup work on the rural improvements the same as what was used for the general population of the valuation group?
	Yes
d.	Is the pickup work schedule the same for the land as for the improvements?
	Yes
8.	What is the counties progress with the 6 year inspection and review requirement as it relates to rural improvements? (Neb. Rev. Stat. § 77-1311.03)
	In 2009 the county contracted for aerial photos, which were completed April, 2009. Site plans and questionnaires were mailed to property owners to further verify buildings.
a.	Does the County maintain a tracking process?
	Yes – the 3-Yr Plan of Assessment and Assessment Survey A chart is also being utilized to chart notes, percent of completion and year done.
b.	How are the results of the portion of the properties inspected and reviewed applied to the balance of the county?
	All physical changes will be implemented. No costing changes unless applied to the entire valuation grouping.



Cherry County 16

2010 Analysis of Agricultural Land

Proportionality Among Study Years

The following tables represent the distribution of sales among each year of the study period in the original sales file, the sales that were added to each area, and the resulting proportionality.

Preliminary Results:

Study Year	County	Area 1
07/01/06 - 06/30/07	23	23
07/01/07 - 06/30/08	23	23
07/01/08 - 06/30/09	19	19
Totals	65	65

Added Sales:

Study Year	Total	Mkt 1
7/1/06 - 6/30/07	0	0
7/1/07 - 6/30/08	0	0
7/1/08 - 6/30/09	0	0
	0	0

Final Results:

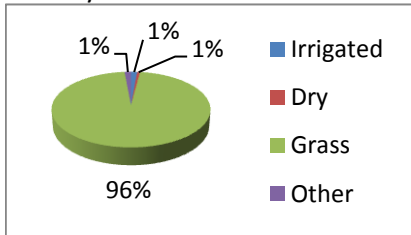
Study Year	County	Area 1
07/01/06 - 06/30/07	23	23
07/01/07 - 06/30/08	23	23
07/01/08 - 06/30/09	19	19
Totals	65	65

Representativeness by Majority Land Use

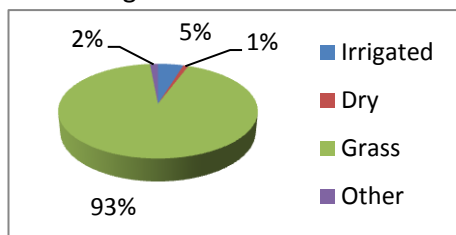
The following tables and charts compare the makeup of land use in the population to the make up of land use in both the sales file and the representative sample.

	Entire County		
	county	sales file	Sample
Irrigated	1%	5%	5%
Dry	1%	1%	1%
Grass	96%	93%	93%
Other	1%	2%	2%

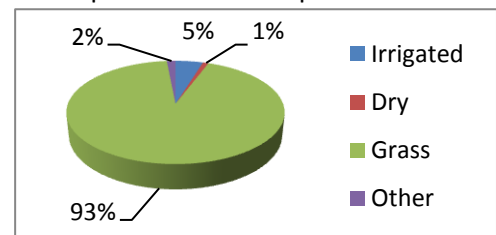
County



Original Sales File



Representative Sample



Adequacy of Sample

	County Total	Mrkt Area 1
Number of Sales - Original Sales File	65	65
Number of Sales - Expanded Sample	65	65
Total Number of Acres Added	0	0

Ratio Study

Final Statistics

County # sales 65

Median	71%	AAD	24.09%
Mean	77%	COD	34.16%
W. Mean	61%	PRD	126.24%

Preliminary Statistics

Median	64%	AAD	22.59%
Mean	71%	COD	35.49%
W. Mean	57%	PRD	126.00%

Majority Land Use

95% MLU	Irrigated		Dry		Grass	
	# Sales	Median	#	Median	# Sales	Median
County	1	73.13%	0	N/A	46	68.63%
Mkt Area 1	1	73.13%	0	N/A	46	68.63%

80% MLU	Irrigated		Dry		Grass	
	# Sales	Median	#	Median	# Sales	Median
County	5	70.51%	0	N/A	50	65.77%
Mkt Area 1	5	70.51%	0	N/A	50	65.77%

**Agricultural or Special
Valuation Correlation**

2010 Correlation Section

For Cherry County

Agricultural Land

I. Correlation

The level of value for the agricultural land in Cherry County, as determined by the PTA is 69%. The mathematically calculated median is 71%.

AGRICULTURAL LAND:

Cherry County abuts the State of South Dakota to the north and is the largest county in the northern part of a large expanse of sand-dune area known as the Nebraska Sand Hills and is the primary recharge area for the Ogallala aquifer which underlies this region. Cherry County is known for its well balanced ranches, the makeup of the meadows and pasture put this county among the best for the cattle industry. Major roads that are important to the shipment of livestock are; highway 20 running from the east to the west in the northern part of the county and highway 83 running from north to south in the eastern part of the county. Other highways that traverse the county are 12, 61 and 97. There are several small lakes throughout the region along with the Niobrara River near the northern boundary, the Snake River and North Loup in the central part, and a portion of the Middle Loup along the southern boundary.

The county is homogenous enough in makeup that no market areas have been created. A review of the agricultural sales over the three year study period indicate 23 sales occurred from 7/01/06 to 6/30/07, 23 sales occurred from 7/01/07 to 6/30/08 and 19 sales occurred from 7/01/08 to 6/30/09. The market for grass land in Cherry County has steadily increased over the last several years. The sales are evenly distributed over the study period, taking away any bias in the time frame.

The sample was also a good representation of the land use in Cherry County as a whole. With over approximately three and a half million acres of grass, or approximately 96%, naturally it is the most predominant land use, followed by some irrigated and dry crop land. The assessor has developed subclasses for meadows as they are an integral part of many ranches and the market indicates a need to recognize them.

Even though the sample was balanced the assessor also took into consideration all available market data from the adjoining counties of Keya Paha, Brown, Blaine, Thomas, Hooker, Grant and Sheridan in establishing market value. As a result of the agricultural analysis no sales were brought into the sample, and the values increased accordingly. The irrigated subclasses went up approximately 13% to 35%, the dry land subclasses went up approximately 10% to 14%, the subclasses of meadow went up approximately 16% to 20%, and the grass went up approximately 3%.

Cherry County has achieved good equalization within the agricultural class and has a level of value of 69% of market as noted in the 2010 Analysis of Agricultural Land under Majority Land Use 95%. It is the opinion of the liaison that the calculated median of 71% would be a reflection

2010 Correlation Section

For Cherry County

of the inclusion of a small number of irrigated sales that do not carry as much weight as the grass (96% of total land use). The irrigated land use is only a little over 1% of the total makeup of Cherry County. The four sales that are pulled into the grass under 80% MLU have several acres under water (lakes, approximately 500 acres).

There will be no non-binding recommendations made for the agricultural class of property.

2010 Correlation Section

For Cherry County

II. Analysis of Sales Verification

Neb. Rev. Stat. 77-1327(2) 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 (2007), 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 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.

AGRICULTURAL LAND:

The agricultural sales verification is by phone to normally a third party involved in the transaction such as the real estate agent or one of the local attorneys. Normally ranch properties sold in Cherry County will involve several thousand acres, out of town attorneys are seldom willing to share details or facts to help establish if the sale was/was not an arms length transaction. Mailed questionnaires seemed to always be ignored. The assessor has found that the area real estate agents, property appraisers, and local attorneys are her best source of information in determining the qualification of a sale.

After a review of the sales files and the non-qualified sales most were discovered to be the normal family transactions, partial interests, splits, exchanges of like properties, and so on. It has been determined that the assessor is using as many sales as possible in the analysis of the agricultural land.

2010 Correlation Section

For Cherry County

III. 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 in 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 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.

	Median	Wgt.Mean	Mean
R&O Statistics	71	61	77

2010 Correlation Section

For Cherry County

IV. 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 International Association of Assessing Officers recommended ratio study performance standards are as follows:

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

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

Income-producing property: a COD of 20 or less, or in larger urban jurisdictions, 15 or less.
Vacant land and other unimproved property, such as agricultural land: a COD of 20 or less.

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

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

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

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

2010 Correlation Section

For Cherry County

There is no range of acceptability stated in the Nebraska statutes for the PRD measure. The Standard of Ratio Studies, adopted by the International Association of Assessing Officers, July, 2007, 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. 247.

The analysis in this section displays the calculated COD and PRD measures for Cherry County, which are considered as one part of the analysis of the County's assessment practices.

	COD	PRD
R&O Statistics	34.16	126.24

AGRICULTURAL LAND:

Even though the COD and PRD appear to be suggesting that the assessment has not been done uniformly and proportionately, they are more a reflection of what is happening in a rapidly appreciating market. As a result the older sales and the low dollar sales are experiencing higher ratios. On the other hand there are low ratios occurring in the newer sales.

The assessor has done an adequate job of reviewing sales, utilizing personal knowledge and local resources to determine if the sales are arms length transactions. The assessors process of analyzing the local market and surrounding markets and applying valuation changes is done consistently within the agricultural class.

These statistics are a result of a statistical function during a time when the agricultural market is still rising rather than an indicator of lack of assessment uniformity or assessment regressivity.

Total Real Property Sum Lines 17, 25, & 30	Records : 14,336	Value : 1,085,303,278	Growth 3,853,108	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	540	1,316,453	63	787,542	204	2,601,531	807	4,705,526	
02. Res Improve Land	1,450	8,004,086	91	1,789,638	184	3,541,174	1,725	13,334,898	
03. Res Improvements	1,513	78,784,812	92	11,791,682	195	18,335,140	1,800	108,911,634	
04. Res Total	2,053	88,105,351	155	14,368,862	399	24,477,845	2,607	126,952,058	1,113,638
% of Res Total	78.75	69.40	5.95	11.32	15.30	19.28	18.18	11.70	28.90
05. Com UnImp Land	151	1,095,125	29	445,435	27	559,643	207	2,100,203	
06. Com Improve Land	338	4,911,128	20	425,744	11	257,024	369	5,593,896	
07. Com Improvements	342	32,159,335	20	2,768,453	13	1,743,131	375	36,670,919	
08. Com Total	493	38,165,588	49	3,639,632	40	2,559,798	582	44,365,018	1,095,400
% of Com Total	84.71	86.03	8.42	8.20	6.87	5.77	4.06	4.09	28.43
09. Ind UnImp Land	0	0	0	0	0	0	0	0	
10. Ind Improve Land	0	0	0	0	0	0	0	0	
11. Ind Improvements	0	0	0	0	0	0	0	0	
12. Ind Total	0	0	0	0	0	0	0	0	0
% of Ind Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13. Rec UnImp Land	0	0	0	0	0	0	0	0	
14. Rec Improve Land	0	0	0	0	0	0	0	0	
15. Rec Improvements	0	0	0	0	0	0	0	0	
16. Rec Total	0	0	0	0	0	0	0	0	0
% of Rec Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Res & Rec Total	2,053	88,105,351	155	14,368,862	399	24,477,845	2,607	126,952,058	1,113,638
% of Res & Rec Total	78.75	69.40	5.95	11.32	15.30	19.28	18.18	11.70	28.90
Com & Ind Total	493	38,165,588	49	3,639,632	40	2,559,798	582	44,365,018	1,095,400
% of Com & Ind Total	84.71	86.03	8.42	8.20	6.87	5.77	4.06	4.09	28.43
17. Taxable Total	2,546	126,270,939	204	18,008,494	439	27,037,643	3,189	171,317,076	2,209,038
% of Taxable Total	79.84	73.71	6.40	10.51	13.77	15.78	22.24	15.79	57.33

Schedule II : Tax Increment Financing (TIF)

	Urban			SubUrban		
	Records	Value Base	Value Excess	Records	Value Base	Value Excess
18. Residential	0	0	0	0	0	0
19. Commercial	4	304,319	1,783,227	0	0	0
20. Industrial	0	0	0	0	0	0
21. Other	0	0	0	0	0	0
	Rural			Total		
	Records	Value Base	Value Excess	Records	Value Base	Value Excess
18. Residential	0	0	0	0	0	0
19. Commercial	0	0	0	4	304,319	1,783,227
20. Industrial	0	0	0	0	0	0
21. Other	0	0	0	0	0	0
22. Total Sch II				4	304,319	1,783,227

Schedule III : Mineral Interest Records

Mineral Interest	Records	Urban Value	Records	SubUrban Value	Records	Rural Value	Records	Total Value	Growth
23. Producing	0	0	0	0	0	0	0	0	0
24. Non-Producing	0	0	0	0	6	6,405	6	6,405	0
25. Total	0	0	0	0	6	6,405	6	6,405	0

Schedule IV : Exempt Records : Non-Agricultural

	Urban Records	SubUrban Records	Rural Records	Total Records
26. Producing	274	24	547	845

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	0	0	19	228,091	10,038	750,240,206	10,057	750,468,297
28. Ag-Improved Land	0	0	7	349,525	976	97,145,038	983	97,494,563
29. Ag Improvements	2	4,707	7	471,817	1,075	65,540,413	1,084	66,016,937
30. Ag Total							11,141	913,979,797

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	6	6.00	30,000	
33. HomeSite Improvements	0	0.00	0	6	6.00	411,445	
34. HomeSite Total							
35. FarmSite UnImp Land	0	0.00	0	0	0.00	0	
36. FarmSite Improv Land	0	0.00	0	3	11.00	2,387	
37. FarmSite Improvements	2	0.00	4,707	6	0.00	60,372	
38. FarmSite Total							
39. Road & Ditches	0	0.00	0	0	14.16	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
	Records	Acres	Value	Records	Acres	Value	Growth
31. HomeSite UnImp Land	27	27.00	135,000	27	27.00	135,000	
32. HomeSite Improv Land	774	773.74	3,867,450	780	779.74	3,897,450	
33. HomeSite Improvements	820	719.74	46,622,650	826	725.74	47,034,095	1,644,070
34. HomeSite Total				853	806.74	51,066,545	
35. FarmSite UnImp Land	17	53.68	13,308	17	53.68	13,308	
36. FarmSite Improv Land	663	2,361.64	646,790	666	2,372.64	649,177	
37. FarmSite Improvements	972	0.00	18,917,763	980	0.00	18,982,842	0
38. FarmSite Total				997	2,426.32	19,645,327	
39. Road & Ditches	0	10,471.63	0	0	10,485.79	0	
40. Other- Non Ag Use	0	81.99	0	0	81.99	0	
41. Total Section VI				1,850	13,800.84	70,711,872	1,644,070

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	16	3,485.57	602,317	16	3,485.57	602,317

Schedule VIII : Agricultural Records : Special Value

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

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

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 1

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	0.00	0.00%	0	0.00%	0.00
46. 1A	328.82	0.66%	295,938	0.81%	900.00
47. 2A1	3,855.18	7.68%	3,392,559	9.28%	880.00
48. 2A	6,942.75	13.83%	5,901,342	16.15%	850.00
49. 3A1	3,970.96	7.91%	3,031,493	8.29%	763.42
50. 3A	8,840.35	17.61%	6,301,777	17.24%	712.84
51. 4A1	23,956.32	47.73%	16,079,983	43.99%	671.22
52. 4A	2,293.29	4.57%	1,547,972	4.24%	675.00
53. Total	50,187.67	100.00%	36,551,064	100.00%	728.29
Dry					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	828.93	3.65%	455,913	4.33%	550.00
56. 2D1	4,034.34	17.75%	2,118,032	20.11%	525.00
57. 2D	9,362.63	41.20%	4,447,260	42.23%	475.00
58. 3D1	1,013.65	4.46%	456,143	4.33%	450.00
59. 3D	2,391.75	10.52%	1,016,498	9.65%	425.00
60. 4D1	4,480.43	19.72%	1,792,172	17.02%	400.00
61. 4D	613.52	2.70%	245,408	2.33%	400.00
62. Total	22,725.25	100.00%	10,531,426	100.00%	463.42
Grass					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	1,248.45	0.04%	499,380	0.06%	400.00
65. 2G1	7,737.00	0.22%	2,901,382	0.37%	375.00
66. 2G	101,735.50	2.94%	35,588,827	4.48%	349.82
67. 3G1	170,901.52	4.94%	51,217,656	6.45%	299.69
68. 3G	241,528.36	6.98%	66,404,962	8.37%	274.94
69. 4G1	979,885.01	28.33%	212,625,277	26.79%	216.99
70. 4G	1,955,899.81	56.55%	424,352,021	53.47%	216.96
71. Total	3,458,935.65	100.00%	793,589,505	100.00%	229.43
Irrigated Total					
Irrigated Total	50,187.67	1.40%	36,551,064	4.33%	728.29
Dry Total					
Dry Total	22,725.25	0.63%	10,531,426	1.25%	463.42
Grass Total					
Grass Total	3,458,935.65	96.49%	793,589,505	94.11%	229.43
Waste					
Waste	52,816.23	1.47%	2,595,930	0.31%	49.15
Other					
Other	0.00	0.00%	0	0.00%	0.00
Exempt					
Exempt	7,076.19	0.20%	0	0.00%	0.00
Market Area Total					
Market Area Total	3,584,664.80	100.00%	843,267,925	100.00%	235.24

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	0.00	0	366.81	247,597	49,820.86	36,303,467	50,187.67	36,551,064
77. Dry Land	0.00	0	60.00	28,100	22,665.25	10,503,326	22,725.25	10,531,426
78. Grass	0.00	0	1,142.14	269,432	3,457,793.51	793,320,073	3,458,935.65	793,589,505
79. Waste	0.00	0	2.00	100	52,814.23	2,595,830	52,816.23	2,595,930
80. Other	0.00	0	0.00	0	0.00	0	0.00	0
81. Exempt	0.00	0	44.89	0	7,031.30	0	7,076.19	0
82. Total	0.00	0	1,570.95	545,229	3,583,093.85	842,722,696	3,584,664.80	843,267,925

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	50,187.67	1.40%	36,551,064	4.33%	728.29
Dry Land	22,725.25	0.63%	10,531,426	1.25%	463.42
Grass	3,458,935.65	96.49%	793,589,505	94.11%	229.43
Waste	52,816.23	1.47%	2,595,930	0.31%	49.15
Other	0.00	0.00%	0	0.00%	0.00
Exempt	7,076.19	0.20%	0	0.00%	0.00
Total	3,584,664.80	100.00%	843,267,925	100.00%	235.24

2010 County Abstract of Assessment for Real Property, Form 45 Compared with the 2009 Certificate of Taxes Levied (CTL)

16 Cherry

	2009 CTL County Total	2010 Form 45 County Total	Value Difference (2010 form 45 - 2009 CTL)	Percent Change	2010 Growth (New Construction Value)	Percent Change excl. Growth
01. Residential	125,251,246	126,952,058	1,700,812	1.36%	1,113,638	0.47%
02. Recreational	0	0	0		0	
03. Ag-Homesite Land, Ag-Res Dwelling	50,341,187	51,066,545	725,358	1.44%	1,644,070	-1.82%
04. Total Residential (sum lines 1-3)	175,592,433	178,018,603	2,426,170	1.38%	2,757,708	-0.19%
05. Commercial	43,310,508	44,365,018	1,054,510	2.43%	1,095,400	-0.09%
06. Industrial	0	0	0		0	
07. Ag-Farmsite Land, Outbuildings	18,813,470	19,645,327	831,857	4.42%	0	4.42%
08. Minerals	6,405	6,405	0	0.00	0	0.00
09. Total Commercial (sum lines 5-8)	62,130,383	64,016,750	1,886,367	3.04%	1,095,400	1.27%
10. Total Non-Agland Real Property	237,722,816	242,035,353	4,312,537	1.81%	3,853,108	0.19%
11. Irrigated	30,560,977	36,551,064	5,990,087	19.60%		
12. Dryland	9,572,462	10,531,426	958,964	10.02%		
13. Grassland	747,626,407	793,589,505	45,963,098	6.15%		
14. Wasteland	2,582,630	2,595,930	13,300	0.51%		
15. Other Agland	0	0	0			
16. Total Agricultural Land	790,342,476	843,267,925	52,925,449	6.70%		
17. Total Value of all Real Property (Locally Assessed)	1,028,065,292	1,085,303,278	57,237,986	5.57%	3,853,108	5.19%

CHERRY COUNTY
2009
PLAN OF ASSESSMENT

Nebraska state law sets the guidelines under which a county assessor's office must operate. A "road map" must be developed to create a plan that is uniformly followed. Organization not only ensures efficient assessment practices, but also aids in more responsible spending of tax dollars by serving its taxpayers more effectively.

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

All property in the State of Nebraska is subject to property tax unless expressly exempt by Nebraska Constitution or is permitted by the constitution and enabling legislation adopted by the legislature.

The uniform standard for the assessed value of real property for tax purposes is actual value, which is defined by law as "the market value of real property in the ordinary course of trade."

Statutory assessment levels are:

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

Per the 2009 Abstract filed with the Department of Property Assessment & Taxation, the agricultural land class, with 77%, is clearly the predominant property in Cherry County, with the majority consisting of grassland. Residential property class consists of 17%, and the commercial property class consists of 6%.

More information on the 2009 Abstract of Assessment is contained in the 2009 Reports and Opinions, issued by the Property Tax Administrator, April 2009.

Staffing, Budget, Training

The assessor's office consists of the assessor and three full-time clerks. Occasionally, an additional part-time clerk is enlisted for extra help. The county does not have an appraiser on staff. The county utilizes an appraisal company for property revaluation, appraisal updating and maintenance issues. Currently, the assessor feels she is operating the office at a sufficient level of staffing needed for completing basic office operations. Due to unforeseen circumstances, she is aware how inadequate staffing can cripple the functions of the office. Ideally, a full-time appraiser with two assistants working with him would benefit the county, however, she also realizes this would be difficult to accomplish. Location hinders recruitment of appraisers on the part-time level (not to say full-time), and added space, more tax dollars, and equipment would be required.

The importance of continuing education is recognized by this office. The assessor attended three mini-courses offered by the Property Assessment Division –“Depreciation Tables”, “Sand Pits and Recreational Land”, and “Understanding the Reports & Opinions.” She also attended the Board of Equalization seminar in Kearney this May. Plans are to attend the assessor's workshop held in North Platte, Nebraska this August. These are wonderful educational opportunities and provide continuing education hours at little cost.

Budgetary concerns influence general office functions. Historically, the county board has been generous in approving the revenue needed for office requirements. In the case of budget cutbacks, this would reduce the capability to undertake additional tasks.

Record Maintenance

Records in the Cherry County Assessor's Office are basically public information.

The few exceptions to this are labeled confidential and admission to the contents of these files is carefully screened. For records to be utilized by the public, attention is continually given concerning their maintenance and accessibility.

Mapping-ownership and descriptions are kept current on cadastral maps by office clerks. The maps are old, but property can readily be identified and located using them. The office also maps agland sales onto a county plat map for a visual aid. Both maps are updated using real estate transfer statements and rosters from Property Assessment Division.

Property Record Cards-Due to the size of Cherry County, we utilize various methods to access property information. Index cards give an alphabetical listing of all property owned under a particular name. Property record cards are filed by legal description. Our Computer system has the capability to run property record cards for the public. This ability is used quite frequently by real estate agents, appraisers, banks, FSA office, and insurance companies. The office maintains a property record card for each parcel of real property including exempt properties and improvements on leased lands.

Software for Administrative, CAMA- The office uses Terra Scan assessment and appraisal system for electronic property record files and appraisal assistance. The office has installed wireless internet services to aid with e-mail and electronic filing of reports. A GIS system has been explored for potential office use per meeting with Marcus Tooze from GIS workshop. The office would like to explore going “on-line” with its property information. This on-line property information has been much requested from insurance companies and statewide appraisers. Also, in the fall of 2008, we have upgraded our server and other hardware.

ASSESSMENT PROCEDURES/SALES REVIEW

Sales review is an important factor in establishing fair market values.

Cherry County processed 314 Form 521's (Real Estate Transfer Statements) for the 2008 year. These are filed on a timely basis with the Department of Revenue, Property Assessment Division. Cherry County adheres to the minimum standards of sales review from the International Association of Assessing Officers, Standard of Ratio Studies, 1999. These standards include, but are not limited to:

- Cherry County recognizes all sales over \$2.25 in Doc Stamps or \$100 in consideration as arms-length transactions, unless verification process proves otherwise.
- Verification is made on all sales, usually with a knowledgeable third party.
- In verifications, a standard form of questions is utilized for agland and commercial sales; residential sales are verified and the response noted on supplemental sheets attached to the Form 521.
- Adjustments are made through the verification process if not noted on the Form 521.

Cherry County processed 819 Personal Property schedules in 2009. The office refers to Regulations-Chapter 20 for guidance in the assessment of items of personal property.

Cherry County processed approximately 250 Homestead Exemption applications this spring. Reminder calls were made to our applicants the first of June in hopes of eliminating any forgotten applications.

In the area of property discover, Cherry County utilizes building permits and zoning applications. Because of the size of our county, these permits help us to pinpoint new building projects, with little cost or time allocation. Our office attempts to do the data collection and entry for all construction we feel we are able to do, and our contracted appraiser does the remainder. With almost all appraisal maintenance, an external physical inspection is done at the time of listing. Contracted services gather market and income data and the appropriate approaches to value are applied. Also, an important property discovery tool that we utilize are FSA maps we were able to obtain through the certification of irrigated acres from property owners. These aid with tracking land usage, and take us to places throughout the county that could take hours to reach. Lastly, in the

spring of 2009, we contracted for new aerial photos of the county taken by Morningstar Photography of Watertown, South Dakota.

The office considers assessment/sales ratio studies an important tool in considering assessment actions. These studies serve as a flag for detecting problems with our assessment practices. These studies are supplied by the Property Assessment Division. We also utilize our excel program to perform ratio studies and do a comparison of their figures to ours. As always, according to law, taxpayers are provided the appropriate notification of assessment changes on or before June 1, annually.

STATISTICAL MEASURES FOR 2009

After office review of the statistical measures for the county mailed to us by the Property Assessment Division, the county implemented an increase on all classes of agricultural land. After making these adjustments, our statistical measures were:

- Residential 96% Level of Value 24.03 COD 108.25 PRD
- Commercial 99% Level of Value 13.89 COD 103.53 PRD
- Agricultural 71% Level of Value 24.29 COD 107.90 PRD

ASSESSMENT ACTIONS

Legislative Bill 334 was passed in 2007. Section 100 addresses assessment actions for Nebraska counties. This section states that during a six-year period, each county assessor shall conduct a systematic review, of a class or subclass, of all taxable parcels in their county, so that the value of all real property is uniform and proportionate.

It should be noted that during the past six years, Cherry County has reviewed all of its properties for uniform assessments.

2010 PLANNED ASSESSMENT ACTIONS

- **Residential-** All subclasses will be monitored for problem areas. Appraisal maintenance will be completed. We completed new files for our hard copy property record information. As an additional aid to the public, we have contacted some of our villages and entered street addresses in our data system. Per LB 334, the villages of Merriman, Cody, and Wood Lake were inspected and reviewed and value adjustments made to Cody Village for 2009. For 2010, we are planning reviews of Crookston, Kilgore, and Nenzel Villages. Photos are entered into our system for property identification.

- **Commercial**-Appraisal maintenance will be completed. All strata will be reviewed for problem areas. There was a commercial update for the 2007 year. Again, an area of focus will be the new golf course south of Valentine which is scheduled to open in 2010. Since Valentine City has implemented TIF financing for qualifying projects, two have been completed and at least two more are investigating the option.
- **Agricultural**- Cherry County had to increase agricultural land values for the 2009 tax year. While all land value groups increased, the greatest increase was given to irrigated land value groups. Over the three year data base period there were sufficient sales to warrant the dramatic increase. Speculation on the rapid market increase with irrigated land could have been crop prices and the appropriation of wells with the natural resource districts. In any case, the agricultural market is still going strong. This class will be monitored as soon as data is available to see how our current values have fared. We have completed, along with our two natural resource districts, the certifying of irrigated acres of our taxpayers. We are also getting ready, after tax lists are run in November, to convert all alpha soil coding to the new numeric codes. Fortunately, Cherry County had only one new numeric listing to deal with. With information from our local NRCS office, State Soil Specialist Steve Scheinost, and Soil Scientist Roger Hammer, we were able to combine this code with the VKF symbol. After this conversion is made, we will be updating our sales rosters to insure that the appropriate land classes are used. We completed making new agricultural property class files. This is in preparation to review our agricultural parcels in compliance with LB 334. As far as LB 334 compliance, we contracted with MorningStar Photography Company for aerial photos that were taken in April 2009. We have identified all photos and placed them in their respective property record files. We are then going to compare the old 1997 aerial photos to the new ones for new improvements. We are also mailing to all rural landowners their site plans and questionnaires requesting info on any changes, both on new developments or removal of buildings. This capability will enable our taxpayers to be aware of what is being assessed on their tax parcels.

2011 PLANNED ACTIONS

- **Residential**- Review the market. This is the driving force on our values. Sales during 2008 slowed in number, but some properties have still brought well on the open-market. Do appraisal maintenance. Have Valentine City inspected and reviewed per LB 334 compliance.
- **Commercial**-The commercial market has been low in number of sales. Again, review the market. It will be of interest to learn what extent the new TIF financing has benefited the commercial community in terms of sales and expansions. Complete appraisal maintenance with emphasis on new construction and new golf course.

- **Agriculture-** With our soil conversion to the new numeric codes completed, we are going to be working on the agricultural update. Review our assessment/sales ratios and complete appraisal maintenance.

2012 PLANNED ASSESSMENT ACTIONS

- **Residential-** Monitor sales in county. Review our residential properties for LB 334 compliance, as well as any problem areas. Complete appraisal maintenance.
- **Commercial-** Do any appraisal maintenance. Review all subclasses of commercial property to detect problem areas. Review & inspect for LB 334 compliance.
- **Agricultural-** Concentrate on sales review. Monitor the market. Complete the agricultural class update. Keep aware of any legislative changes. Continue with appraisal maintenance.

CONCLUSION

This report is planned assessment actions.

There are the additional responsibilities of the office. Reports, personal property filings, homestead and permissive exemptions, data entry, attendance of workshops and educational courses, public relations are naming a few.

We owe it to our taxpayers accountability for proportionate assessments at the most efficient/economical means available. As with most businesses, planning saves time, money, and can assure our taxpayers that they are being well served.

The county board has been co-operative in allocating adequate funding requested for appraisal needs. They also have to answer to our taxpayers concerning assessment practices and expenditures of tax dollars.

It will continue to be the goal of our office to make every effort to comply with state statutes and regulations to provide uniform and proportionate assessments on all properties in Cherry County.

And, as always, it is the utmost goal of this office to make every effort to promote good public relations and stay sensitive to the needs of its public.

Respectfully submitted,

Betty J. Daugherty
Cherry County Assessor
July 14, 2009

2010 Assessment Survey for Cherry County

I. General Information

A. Staffing and Funding Information

1.	Deputy(ies) on staff
	0
2.	Appraiser(s) on staff
	0
3.	Other full-time employees
	3
4.	Other part-time employees
	1
5.	Number of shared employees
	0
6.	Assessor's requested budget for current fiscal year
	\$118,817
7.	Adopted budget, or granted budget if different from above
	Same
8.	Amount of the total budget set aside for appraisal work
	0
9.	Appraisal/Reappraisal budget, if not part of the total budget
	\$25,000
10.	Part of the budget that is dedicated to the computer system
	\$18,600
11.	Amount of the total budget set aside for education/workshops
	\$3,200
12.	Other miscellaneous funds
	0
13.	Was any of last year's budget not used:
	Yes - \$7,563.57

B. Computer, Automation Information and GIS

1.	Administrative software
	TerraScan
2.	CAMA software
	TerraScan
3.	Cadastral maps: Are they currently being used?
	Yes
4.	Who maintains the Cadastral Maps?
	Office clerk.
5.	Does the county have GIS software?
	No.
6.	Who maintains the GIS software and maps?
	Not applicable.
7.	Personal Property software:
	TerraScan

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?
	Valentine and Crookston
4.	When was zoning implemented?
	2000

D. Contracted Services

1.	Appraisal Services
	Knoche Appraisal and Consulting
2.	Other services
	None

Certification

This is to certify that the 2010 Reports and Opinions of the Property Tax Administrator have been sent to the following:

One copy by electronic transmission and one printed copy by hand delivery to the Tax Equalization and Review Commission.

One copy by electronic transmission to the Cherry County Assessor.

Dated this 7th day of April, 2010.



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

Ruth A. Sorensen
Property Tax Administrator

Valuation History Charts