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2010 Commission Summary

21 Custer

Residential Real Property - Current

Number of Sales	239	Median	98
Total Sales Price	\$12,484,197	Mean	113
Total Adj. Sales Price	\$12,559,197	Wgt. Mean	92
Total Assessed Value	\$11,575,960	Average Assessed Value of the Base	\$45,094
Avg. Adj. Sales Price	\$52,549	Avg. Assessed Value	\$48,435

Confidence Interval - Current

95% Median C.I	95.85 to 99.63
95% Mean C.I	104.86 to 121.57
95% Wgt. Mean C.I	88.64 to 95.70

% of Value of the Class of all Real Property Value in the County	14.99
% of Records Sold in the Study Period	5.07
% of Value Sold in the Study Period	5.45

Residential Real Property - History

Year	Number of Sales	LOV	Median
2009	320	97	97
2008	368	98	98
2007	365	96	96
2006	439	97	97

2010 Commission Summary

21 Custer

Commercial Real Property - Current

Number of Sales	63	Median	96
Total Sales Price	\$2,900,920	Mean	100
Total Adj. Sales Price	\$2,845,295	Wgt. Mean	91
Total Assessed Value	\$2,576,138	Average Assessed Value of the Base	\$80,288
Avg. Adj. Sales Price	\$45,163	Avg. Assessed Value	\$40,891

Confidence Interval - Current

95% Median C.I	84.99 to 99.72
95% Mean C.I	88.72 to 111.93
95% Wgt. Mean C.I	84.51 to 96.57

% of Value of the Class of all Real Property Value in the County	4.41
% of Records Sold in the Study Period	8.10
% of Value Sold in the Study Period	4.12

Commercial Real Property - History

Year	Number of Sales	LOV	Median
2009	69	95	95
2008	69	97	97
2007	62	98	98
2006	59	99	99

2010 Opinions of the Property Tax Administrator for Custer 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 Custer County is 98% of market value. The quality of assessment for the class of residential real property in Custer 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 Custer County is 96% of market value. The quality of assessment for the class of commercial real property in Custer 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 Custer County is 70% of market value. The quality of assessment for the class of agricultural land in Custer 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 Custer County

taken to address the following property classes/subclasses:

Residential

For 2010, the rural residential homes in the townships of Victoria, Milburn, West Union, Sargent, Corner, Lillian, Comstock, Spring Creek, Myrtle, Garfield and Loup were reviewed. The Village of Merna was also reviewed and reappraised. During the physical inspection an exterior review of all properties is completed. New photographs are taken of the property, changes are noted, and measurements are checked. An interior inspection is completed only when the lister is invited in by the home owner. The assessor reviews the pictures and data collected by the lister and will change the condition and effective age of the property when necessary. The effective age of all reviewed properties is calculated using a table available in the Marshall and Swift manual and is based on known improvements to the property. Costing was updated to 2007 Marshall and Swift and a new depreciation table was developed.

In addition to the physical review, a sales study was completed of the residential valuation groupings. The study indicated that land values were low in several locations across the county. A new lot value table was developed for Ansley, Anselmo, Oconto and all the suburban properties within the county. For the rural residential grouping, the home site values were increased from \$6,200 per acre to \$7,700 per acre, with the rest of the rural residential acres increasing from \$1,725 - \$1,825 per acre to \$2,100 - \$2,200 per acre.

Only routine maintenance was completed in the rest of the class, the pickup work was completed timely.

2010 Assessment Survey for Custer County

Residential Appraisal Information

1.	Valuation data collection done by:
	The part time lister
2.	List the valuation groupings used by the County:
	01 Broken Bow, Broken Bow Suburban
	02 Sargent
	03 Arnold
	04 Ansley
	05 Callaway
	06 Merna
	07 Anselmo
	08 Mason City
	09 Oconto
	10 Comstock
	11 Berwyn
	12 Rural, Broken Bow Rural, Milburn, Westerville
a.	Describe the specific characteristics of the valuation groupings that make them unique.
	<p>There are eleven communities in Custer County that together with the rural area make up the twelve valuation groupings. There are some similarities between these communities; however, the assessor has chosen to maintain them as separate groupings as they each have somewhat different economic characteristics that affect their market. For purposes of describing them they have been divided by size.</p> <p><u>Populations greater than 1,000</u></p> <ol style="list-style-type: none"> 1. Broken Bow is the largest community Custer County, and has an active residential market. The community is generally a clean, well kept community. There are a significant number of old homes in the community that have been well maintained and continue to bring a good price in the market. The town offers a variety of jobs, services, and goods that make living in it desirable. The real estate market appears to have been stable within Broken Bow for the past few years. <p><u>Populations 500-1,000</u></p> <ol style="list-style-type: none"> 2. Sargent is located in a remote area of Custer County, the northeastern corner. While Sargent is still the second most populated community in the county; the community has struggled economically in recent years. While it still maintains its own school system, it has been unable to keep its hospital and nursing home open in the past few years, which resulted in a loss of several jobs within the small, remote community. The market is unorganized and sporadic, but seems to be decreasing currently. 3. Arnold is located near Custer County's western border equal distance from Broken Bow and the communities of Gothenburg and North Platte in

Dawson and Lincoln Counties. Its location provides commuting opportunities to a variety of jobs. Arnold maintains its own school system and offers basic services that are desirable in a small community. Recently, Arnold's economic development organization has been very active in recruiting both residents and businesses to the community. All of these factors have improved the residential real estate market in recent years. The market currently appears to be stable to slightly increasing.

4. Ansley is a small community along the highway 2 corridor in southeastern Custer County. Ansley maintains its own school system and is close enough to Broken Bow to provide easy commuting to jobs. The residential market appears to be stable to slightly increasing currently.
5. Callaway is located in south central Custer County. The residential market is strong for a town of its size. Callaway is unique to the other small communities in Custer County because it has its own hospital, medical clinic pharmacy, nursing home, and assisted living center. The community benefits economically from the jobs that these facilities bring to the community. In recent years, there has been strong growth of new homes in the community. The market currently appears to be stable.

Populations less than 500

6. Merna is located northwest of Broken Bow along the highway 2 corridor. Merna is home to the consolidated Anselmo-Merna school system. The community benefits somewhat from housing the school in its community. The residential market in Merna tends to be sporadic as is typical in a small town; current statistics indicate that the market is somewhat stable.
7. Anselmo is also located along highway 2, but northwest of Merna. Anselmo is a sandhills community, and the primary economic activity is ranching. The community is similar to Merna, but the market is generally slower.
8. Mason City is also located along highway 2 in the southeastern corner of Custer County. Farming is the primary economic activity in Mason City. There is not a school system in Mason City, parents choose which neighboring community to send their children to for schooling. Also, there are very few other services available in Mason City that homeowners tend to find desirable. There are few sales in Mason City in a typical sales study; however, trends indicate that the market may be declining.
9. Oconto is located in south central Custer County. Agriculture is the primary economic activity in Oconto; however, it is equal distance to Broken Bow and Lexington (in Dawson County) for job opportunities, which could make it more desirable than some of the similar sized towns. There are few sales in Oconto in a typical sales study; however, the current study indicates that the market is somewhat stable.
10. Comstock is located in a fairly remote part of the County, along the Custer/Valley County line. There is no school in Comstock or any services that make it desirable to live there. It is closest to the community of Ord in Valley County; however, there are no paved roads that lead from Comstock to Ord, making commuting difficult. These factors make the residential real

	<p>estate market in Comstock slow and very sporadic. The ratio studies indicate very little movement in the real estate market from year to year.</p> <p>11. Berwyn is located along highway 2, southeast of Broken Bow. Berwyn is somewhat of a bedroom community, as it is very close to Broken Bow, and is located along highway 2. Even with its proximity to Broken Bow, the community evidently is not overly desirable to buyers from Broken Bow as the market is slow and sporadic. There are few sales in a typical ratio study; however, ratios suggest that the market may be somewhat stable.</p> <p><u>Rural Area</u></p> <p>12. The rural area in Custer County consists of all properties not located within any of the incorporated towns/villages. These properties have continued to be very desirable to residential buyers over the past several years, as is typical in most areas of Nebraska. Ratio studies indicate that the market for rural homes continues to increase from year to year.</p>
3.	What approach(es) to value is/are used for this class to estimate the market value of properties? List or describe.
	Only the cost approach is used.
4	When was the last lot value study completed?
	A lot study is completed yearly.
a.	What methodology was used to determine the residential lot values?
	The lot values were established by completing a sales study using a price per square foot analysis.
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 county develops depreciation studies based on market information.
a.	How often does the County update depreciation tables?
	Depreciation tables are developed every two to three years when the residential costing tables are updated. In the years that the costing is not updated a sales study is completed and the depreciation tables are adjusted if needed.
7.	Pickup work:
a.	Is pickup work done annually and is it completed by March 19th?
	Yes
b.	By Whom?
	The part-time lister
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)
	In the past two years, the county has completed approximately 40% of the review

	requirement for the residential class. For 2008, 2009, and 2010 the following areas had been reviewed. The villages of Arnold, Callaway, Oconto, Anselmo and Merna as well as 15 of the 31 rural townships.
a.	Does the County maintain a tracking process? If yes describe.
	The county maintains a map to track which townships and villages have been reviewed. The date of the review is also entered into the CAMA system.
b.	How are the results of the portion of the properties inspected and reviewed applied to the balance of the county?
	The residential class is valued by valuation grouping (subclass). For the towns and villages the entire subclass is reviewed within the same year. The assessor finds it inappropriate to apply adjustments without a physical inspection, unless the sales study indicates a need. The size of the county prevents the rural valuation grouping from being reviewed within the same year. To ensure that these properties are equalized the same costing and depreciation tables are used for the rural properties county wide.

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

(!: AVTot=0)
(!: Derived)

NUMBER of Sales:	239	MEDIAN:	98	COV:	58.19	95% Median C.I.:	95.85 to 99.63
TOTAL Sales Price:	12,484,197	WGT. MEAN:	92	STD:	65.88	95% Wgt. Mean C.I.:	88.64 to 95.70
TOTAL Adj.Sales Price:	12,559,197	MEAN:	113	AVG.ABS.DEV:	32.33	95% Mean C.I.:	104.86 to 121.57
TOTAL Assessed Value:	11,575,960						
AVG. Adj. Sales Price:	52,548	COD:	33.01	MAX Sales Ratio:	553.71		
AVG. Assessed Value:	48,434	PRD:	122.83	MIN Sales Ratio:	33.10		

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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	40	99.28	108.06	95.81	21.70	112.79	40.40	239.31	96.82 to 106.02	61,746	59,157
10/01/07 TO 12/31/07	25	96.85	96.40	87.19	12.69	110.56	54.29	144.16	91.44 to 102.11	63,856	55,675
01/01/08 TO 03/31/08	31	99.45	127.53	97.88	43.16	130.30	56.26	357.63	94.60 to 112.97	51,579	50,485
04/01/08 TO 06/30/08	41	91.52	103.35	84.90	31.53	121.73	43.48	317.14	84.95 to 101.26	51,775	43,959
07/01/08 TO 09/30/08	12	110.75	146.82	94.14	47.53	155.96	59.08	424.50	98.81 to 172.42	44,375	41,774
10/01/08 TO 12/31/08	21	95.81	114.72	84.39	37.26	135.94	52.81	484.40	85.19 to 102.20	36,669	30,946
01/01/09 TO 03/31/09	25	101.08	118.70	96.88	33.17	122.51	62.41	341.03	93.12 to 120.08	49,220	47,685
04/01/09 TO 06/30/09	44	95.03	113.56	94.14	41.19	120.63	33.10	553.71	83.33 to 103.45	50,867	47,887
<u>Study Years</u>											
07/01/07 TO 06/30/08	137	97.92	108.93	91.49	27.69	119.06	40.40	357.63	95.21 to 100.40	56,846	52,011
07/01/08 TO 06/30/09	102	97.65	118.97	93.28	40.27	127.55	33.10	553.71	93.33 to 103.30	46,776	43,630
<u>Calendar Yrs</u>											
01/01/08 TO 12/31/08	105	96.98	117.73	89.93	39.05	130.91	43.48	484.40	93.25 to 101.26	47,850	43,033
<u>ALL</u>											
	239	97.92	113.22	92.17	33.01	122.83	33.10	553.71	95.85 to 99.63	52,548	48,434

VALUATION GROUP	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
01	105	96.98	107.59	90.34	29.94	119.09	33.10	484.40	92.35 to 99.99	74,814	67,585
02	31	102.41	154.41	105.99	68.31	145.69	56.26	553.71	95.21 to 139.87	16,459	17,445
03	27	99.41	107.31	98.42	19.76	109.03	61.48	216.56	91.17 to 110.71	34,903	34,352
04	15	96.48	101.57	84.60	22.05	120.05	52.81	180.38	79.82 to 112.58	41,246	34,895
05	13	96.92	108.79	99.62	18.95	109.21	75.15	192.40	91.52 to 118.04	65,415	65,165
06	11	98.43	105.48	98.98	14.86	106.56	77.79	178.97	89.29 to 114.90	32,886	32,550
07	2	166.55	166.55	141.05	33.03	118.07	111.53	221.56	N/A	10,250	14,458
08	5	102.55	111.65	121.39	28.24	91.98	64.45	156.79	N/A	14,080	17,091
09	7	96.58	102.53	82.49	25.95	124.30	68.40	181.60	68.40 to 181.60	17,857	14,730
10	9	98.38	128.57	88.67	59.02	144.99	53.00	324.31	55.92 to 172.42	29,260	25,945
11	6	79.90	80.30	85.10	17.57	94.36	40.40	104.08	40.40 to 104.08	21,083	17,942
12	8	94.27	91.48	88.88	14.61	102.92	59.08	127.18	59.08 to 127.18	101,800	90,480
<u>ALL</u>											
	239	97.92	113.22	92.17	33.01	122.83	33.10	553.71	95.85 to 99.63	52,548	48,434

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

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AVG. Adj. Sales Price:	52,548	COD:	33.01	MAX Sales Ratio:	553.71		
AVG. Assessed Value:	48,434	PRD:	122.83	MIN Sales Ratio:	33.10		

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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	227	97.92	111.81	91.76	30.76	121.84	44.45	553.71	96.11 to 99.53	55,085	50,549
2	12	97.25	139.83	185.22	76.04	75.49	33.10	357.63	43.48 to 294.00	4,558	8,442
ALL											
	239	97.92	113.22	92.17	33.01	122.83	33.10	553.71	95.85 to 99.63	52,548	48,434

PROPERTY TYPE *

RANGE	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
01	229	97.92	114.03	92.22	33.55	123.65	33.10	553.71	96.11 to 99.53	53,449	49,291
06											
07	10	90.43	94.53	90.23	22.39	104.76	65.21	143.46	68.61 to 118.04	31,930	28,811
ALL											
	239	97.92	113.22	92.17	33.01	122.83	33.10	553.71	95.85 to 99.63	52,548	48,434

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 9999	22	140.28	180.29	179.57	64.70	100.40	40.40	484.40	93.06 to 237.70	2,027	3,640
5000 TO 9999	17	155.68	175.81	175.22	58.85	100.34	33.10	553.71	81.33 to 221.56	7,176	12,574
Total \$											
1 TO 9999	39	148.80	178.34	176.38	61.36	101.11	33.10	553.71	99.36 to 214.17	4,271	7,534
10000 TO 29999	64	104.68	118.74	114.97	30.59	103.28	53.00	357.63	96.92 to 112.97	18,983	21,824
30000 TO 59999	61	98.43	97.90	98.16	13.29	99.74	56.48	141.27	94.77 to 103.05	42,657	41,871
60000 TO 99999	40	93.23	91.64	91.53	11.60	100.11	46.89	127.18	91.17 to 97.99	77,195	70,657
100000 TO 149999	16	83.79	79.86	79.46	21.14	100.50	44.45	111.10	62.27 to 95.35	126,859	100,808
150000 TO 249999	17	87.75	83.37	83.26	16.50	100.13	54.29	104.36	66.90 to 99.15	174,000	144,875
250000 TO 499999	2	85.82	85.82	85.82	0.11	100.00	85.72	85.91	N/A	250,000	214,541
ALL											
	239	97.92	113.22	92.17	33.01	122.83	33.10	553.71	95.85 to 99.63	52,548	48,434

**2010 Correlation Section
for Custer County**

Residential Real Property

I. Correlation

The level of value for the residential real property in Custer County, as determined by the PTA is 98%. The mathematically calculated median is 98%.

RESIDENTIAL:In determining the level of value for the residential class, both the assessment practices and the ratio study were considered. In correlating the three measures of central tendency, both the median and the weighted mean are within the statutorily acceptable range. The mean is significantly above the range, but is subject to outliers. When 44 sales with selling prices of less than \$10,000 are removed from the sales file, the mean improves to 99%. Because the ratio study has been conducted using a sufficient number of sales, the median is the best indicator of the level of value in the residential class. The qualitative statistics are well above the acceptable standard, but are also being impacted by the low dollar sales. When these sales are temporarily removed from the sales file the measures improve, but are still above the standard range. There is no additional information that supports that assessments are not applied uniformly, based on knowledge of the assessment practices employed by the county, it is believed that assessments are uniform and proportionate.

In reviewing the subclasses of residential property, it appears that valuation grouping 2 is above the statutorily required range. This valuation grouping contains approximately 30% of the low dollar sales that exist in the overall class. When thirteen low dollar sales are temporarily removed from the sales file all three measures of central tendency are brought into the acceptable range. The median is reduced to 97%, the mean would be 100% and the weighted mean would also come in at 96%. Based on this analysis it is believed that the level of value for valuation grouping 2 is within the statutorily required range. There will be no non-binding recommendation made in the residential class.

**2010 Correlation Section
for Custer 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 Custer County Assessor verifies all residential sales by sending a verification questionnaire to the buyer in each real estate transaction. The questionnaire asks how long the property was on the market, how the property was listed for sale, whether any personal property was involved in the transaction, how the selling price was established and whether the seller assisted with financing. The assessor reports that about 30-40% of these documents are returned to the office. When the verification is not returned, or if the information provided is not sufficient, the assessor or staff will attempt to contact a realtor, attorney or other professional involved in the sale to verify the details of the sale. The part-time lister is sent out to review all sales that are not typical of the market.

A review of the non-qualified sales was conducted. For the residential class the majority of the sales that were excluded were either substantially changed properties, combination sales, sales from exempt entities, family transactions or foreclosures. Because of the reasons given for the non-qualified sales and the explanation of the verification practice employed by the county, it is believed that all arms length transactions have been used in the measurement of the residential class.

**2010 Correlation Section
for Custer 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	98	92	113

**2010 Correlation Section
for Custer 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 Custer 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 Custer County, which are considered as one part of the analysis of the County's assessment practices.

	COD	PRD
R&O Statistics	33.01	122.83

RESIDENTIAL:Both the COD and the PRD are well above the acceptable standard. There are 44 sales in the sample with selling prices of \$10,000 or less. Low dollar sales often produce extreme outliers. A review of these 44 sales indicates the sales ratios range from 33.10% to 553.71%. When the sales are temporarily removed the COD becomes 18.81% and the PRD is 108.94%. The measures are still above the standards, but are significantly improved.

2010 Assessment Actions for Custer County

taken to address the following property classes/subclasses:

Commercial

As reported in the three year plan, only routine maintenance was completed for the commercial class. Stanard Appraisal Service conducted a reappraisal of the commercial class for 2006, and continues to be on contract with the county to complete the pickup work and any needed maintenance.

A sales study was completed, indicating that suburban lot values were low as were the land values in the Broken Bow square. New land value tables were established for both areas.

2010 Assessment Survey for Custer County

Commercial / Industrial Appraisal Information

1.	Valuation data collection done by:
	Standard Appraisal Services
2.	List the valuation groupings used by the County:
	(1) Broken Bow, (2) Sargent, (3) Arnold, (4) Ansley, (5) Callaway, (6) Merna, (7) Anselmo, (8) Mason City, (9) Oconto, (10) Comstock, (11) Berwyn, (12) Rural
a.	Describe the specific characteristics of the valuation groupings that make them unique.
	<p>There are eleven communities in Custer County that together with the rural area make up the twelve valuation groupings. There are some similarities between these communities; however, the assessor has chosen to maintain them as separate groupings as they each have somewhat different economic characteristics that affect their market. For purposes of describing them they have been divided by size.</p> <p><u>Populations greater than 1,000</u></p> <ol style="list-style-type: none"> 1. Broken Bow is the largest community in Custer County, and has an active commercial market. It is the business hub for Custer County and some of the other sandhills communities to the north of the County. The major commercial areas in Broken Bow are the town square/downtown area and the highway 2 strip. Both areas are active and full of a variety of retail and service businesses. Broken Bow also contains a variety of medical facilities including the hospital, clinic, and several nursing home/assisted living facilities. Also, Broken Bow is home to Becton-Dickinson, a manufacturer of medical supplies which is a major employer in the County. <p><u>Populations 500-1,000</u></p> <ol style="list-style-type: none"> 2. Sargent is located in a remote area of Custer County, the northeastern corner. It has struggled economically in recent years. While it still maintains its own school system, a few years ago the hospital closed, and just last year the nursing home located in Sargent was forced to close. The market is currently decreasing. 3. Arnold is located near the Custer County's western border, along highway 92. There are limited services in Arnold including a part-time medical clinic, and a variety of basic retail and service businesses. Recently, Arnold's economic development organization has been very active in recruiting residents and businesses to the community, which has kept the market somewhat stable. 4. Ansley is a small community along the highway 2 corridor in southeastern Custer County. There is very little retail/service businesses in Ansley, however, being located along highway 2, makes its location somewhat more favorable than many of the other small communities. The commercial market appears to be stable currently. 5. Callaway is located in south central Custer County. Callaway's commercial

market is strong for a town of its size. Callaway is unique to the other small communities in Custer County because it has its own hospital, medical clinic pharmacy, nursing home, and assisted living center. The community benefits economically from the availability of the medical services as they bring a significant number of jobs to the community. While there are relatively few sales in Callaway, the market appears to be stable to slightly increasing.

Populations less than 500

6. Merna is located northwest of Broken Bow along the highway 2 corridor. There are very few retail or service businesses in Merna. It's proximity to Broken Bow makes it hard for these types of businesses to compete. Merna does have a strong farming base, and is located along the Burlington Northern Santa Fe railway. There are a few grain elevators within the community providing some jobs and economic activity.
7. Anselmo is also located along highway 2, but northwest of Merna. Anselmo is a sandhills community, and the primary economic activity is ranching. The community is similar to Merna, but the market is generally slower.
8. Mason City is located along highway 2 in the southeastern corner of Custer County, however, the community profits little from its location as there are no businesses along the highway front to provide goods or services to highway traffic. There are very few services available in Mason City.
9. Oconto is located in south central Custer County along Nebraska highway 40, giving it some highway traffic, but not nearly as much as the communities along highway 2.
10. Comstock is located near the Custer/Valley Count line. There is hardly any commercial activity within the community. Comstock is not located along any major highway, giving it a disadvantage over the other small communities in the County.
11. Berwyn is located along highway 2, southeast of Broken Bow, and is considered a bedroom community. It has little commercial business. Its proximity to Broken Bow makes it difficult for businesses in Berwyn to compete. It is the smallest incorporated community in Custer County, and gains little from its location along the highway.

Rural Area

12. The rural area in Custer County consists of all properties not located within any of the incorporated villages/towns. The properties tend to be agricultural based businesses and are maintained as a separate valuation grouping because the parcels are not generally comparable to the businesses found within the towns.

3.	What approach(es) to value is/are used for this class to estimate the market value of properties? List or describe.
	The income approach, cost approach, and sales comparison approach are all developed and considered for the commercial class.
4	When was the last lot value study completed?
	A lot study is completed yearly.
a.	What methodology was used to determine the commercial lot values?

	Lot values are developed using a price per square foot sales study.
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 developed for the commercial class using market information.
a.	How often does the County update the depreciation tables?
	Yearly as needed.
7.	Pickup work:
a.	Is pickup work done annually and is it completed by March 19th?
	Yes
b.	By Whom?
	Stanard Appraisal Services
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)
	A reappraisal of the entire commercial class was completed for 2008, completing the review requirement for this first 6 year cycle.
a.	Does the County maintain a tracking process? If yes describe.
	Because the entire class was reviewed in one year a tracking process is unnecessary, however during the review work the county make copies of each property record card to send into the field with the appraiser, and has documented the date that each property was reviewed.
b.	How are the results of the portion of the properties inspected and reviewed applied to the balance of the county?
	The same costing and depreciation schedule is used county wide for the commercial class to ensure that the properties are equalized.

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:	63	MEDIAN:	96	COV:	46.84	95% Median C.I.:	84.99 to 99.72	(! : Derived)
TOTAL Sales Price:	2,900,920	WGT. MEAN:	91	STD:	46.99	95% Wgt. Mean C.I.:	84.51 to 96.57	
TOTAL Adj.Sales Price:	2,845,295	MEAN:	100	AVG.ABS.DEV:	31.29	95% Mean C.I.:	88.72 to 111.93	
TOTAL Assessed Value:	2,576,138							
AVG. Adj. Sales Price:	45,163	COD:	32.55	MAX Sales Ratio:	243.98			
AVG. Assessed Value:	40,891	PRD:	110.81	MIN Sales Ratio:	34.56			

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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	8	102.75	114.06	112.11	30.12	101.74	55.46	217.08	55.46 to 217.08	35,465	39,759
10/01/06 TO 12/31/06	5	85.60	108.99	87.35	39.51	124.78	72.13	182.67	N/A	39,460	34,467
01/01/07 TO 03/31/07	4	118.63	111.90	91.67	28.31	122.07	60.51	149.83	N/A	40,750	37,355
04/01/07 TO 06/30/07	5	76.10	99.22	79.12	69.20	125.40	37.90	196.00	N/A	19,455	15,393
07/01/07 TO 09/30/07	3	100.27	98.47	105.07	26.05	93.72	58.40	136.75	N/A	34,833	36,600
10/01/07 TO 12/31/07	3	94.10	93.23	87.30	6.68	106.79	83.36	102.23	N/A	130,033	113,517
01/01/08 TO 03/31/08	12	97.17	112.63	93.70	30.21	120.20	52.08	243.98	92.70 to 98.69	43,283	40,556
04/01/08 TO 06/30/08	6	90.21	80.46	93.66	18.82	85.91	52.63	99.72	52.63 to 99.72	53,833	50,419
07/01/08 TO 09/30/08	3	104.81	94.25	94.38	13.99	99.86	66.97	110.96	N/A	44,733	42,217
10/01/08 TO 12/31/08	7	64.89	98.02	55.24	67.87	177.43	40.19	241.00	40.19 to 241.00	18,114	10,007
01/01/09 TO 03/31/09	3	95.97	94.44	92.54	7.62	102.05	82.70	104.64	N/A	24,333	22,518
04/01/09 TO 06/30/09	4	61.80	64.47	82.11	45.08	78.52	34.56	99.72	N/A	108,250	88,882
<u>Study Years</u>											
07/01/06 TO 06/30/07	22	100.39	109.14	96.70	38.73	112.87	37.90	217.08	73.01 to 141.15	33,695	32,581
07/01/07 TO 06/30/08	24	96.30	100.39	92.71	24.27	108.28	52.08	243.98	84.99 to 98.69	55,708	51,647
07/01/08 TO 06/30/09	17	84.94	88.83	80.81	37.16	109.93	34.56	241.00	58.01 to 104.81	45,117	36,458
<u>Calendar Yrs</u>											
01/01/07 TO 12/31/07	15	96.11	101.25	89.65	36.14	112.94	37.90	196.00	60.51 to 141.15	50,325	45,116
01/01/08 TO 12/31/08	28	96.30	100.11	89.35	31.52	112.04	40.19	243.98	69.42 to 98.69	39,407	35,210
<u>ALL</u>											
	63	96.11	100.33	90.54	32.55	110.81	34.56	243.98	84.99 to 99.72	45,163	40,891

VALUATION GROUP	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
01	30	96.04	91.15	91.94	15.67	99.14	38.66	145.65	84.99 to 98.25	72,054	66,248
02	5	98.69	114.12	101.69	45.66	112.23	58.40	243.98	N/A	16,200	16,473
03	6	89.06	88.43	87.90	26.83	100.61	37.90	136.75	37.90 to 136.75	21,866	19,220
04	5	76.10	101.67	82.57	58.57	123.13	52.08	196.00	N/A	25,475	21,035
05	3	52.84	71.40	49.14	51.09	145.30	40.19	121.17	N/A	21,266	10,450
06	3	110.96	98.45	85.56	34.63	115.07	34.56	149.83	N/A	52,000	44,490
07	1	241.00	241.00	241.00			241.00	241.00	N/A	500	1,205
08	6	121.27	131.61	106.88	49.48	123.14	55.46	217.08	55.46 to 217.08	15,583	16,655
09	1	92.70	92.70	92.70			92.70	92.70	N/A	4,000	3,708
10	2	120.48	120.48	59.75	51.62	201.63	58.28	182.67	N/A	12,650	7,558
11	1	102.60	102.60	102.60			102.60	102.60	N/A	1,000	1,026
<u>ALL</u>											
	63	96.11	100.33	90.54	32.55	110.81	34.56	243.98	84.99 to 99.72	45,163	40,891

PAD 2010 R&O Statistics

Base Stat

State Stat Run

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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	54	96.04	102.05	90.98	32.93	112.17	34.56	243.98	84.94 to 101.38	50,498	45,943
2	9	97.17	90.00	80.40	29.99	111.93	37.90	196.00	40.44 to 97.17	13,155	10,577
ALL	63	96.11	100.33	90.54	32.55	110.81	34.56	243.98	84.99 to 99.72	45,163	40,891

PROPERTY TYPE *

RANGE	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
02	3	84.99	100.02	89.58	29.90	111.66	69.42	145.65	N/A	31,200	27,948
03	60	96.64	100.34	90.57	32.49	110.79	34.56	243.98	84.94 to 99.72	45,861	41,538
04											
ALL	63	96.11	100.33	90.54	32.55	110.81	34.56	243.98	84.99 to 99.72	45,163	40,891

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	12	122.98	144.08	123.80	48.37	116.38	37.90	243.98	92.70 to 216.60	2,208	2,734
5000 TO 9999	4	79.89	83.45	83.81	34.83	99.57	52.84	121.17	N/A	6,950	5,824
Total \$											
1 TO 9999	16	104.73	128.92	103.33	49.66	124.77	37.90	243.98	64.89 to 196.00	3,393	3,506
10000 TO 29999	17	95.42	96.54	94.80	32.68	101.84	40.44	217.08	55.46 to 136.75	19,882	18,847
30000 TO 59999	15	84.99	85.18	84.68	29.25	100.59	38.66	132.91	60.51 to 104.11	43,511	36,843
60000 TO 99999	9	96.11	86.41	88.32	16.50	97.84	34.56	110.96	73.01 to 102.23	72,825	64,317
100000 TO 149999	2	90.13	90.13	90.13	5.76	100.00	84.94	95.32	N/A	114,950	103,600
150000 TO 249999	3	99.72	99.23	99.32	0.49	99.91	98.25	99.72	N/A	205,000	203,613
250000 TO 499999	1	83.36	83.36	83.36			83.36	83.36	N/A	300,000	250,077
ALL	63	96.11	100.33	90.54	32.55	110.81	34.56	243.98	84.99 to 99.72	45,163	40,891

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Base Stat

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OCCUPANCY CODE	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
(blank)	10	97.17	102.66	80.98	39.28	126.77	37.90	216.60	40.44 to 196.00	11,890	9,628
300	2	82.77	82.77	88.24	16.12	93.80	69.42	96.11	N/A	69,500	61,324
309	1	101.38	101.38	101.38			101.38	101.38	N/A	9,000	9,124
326	3	121.17	135.98	106.29	21.61	127.93	104.11	182.67	N/A	18,700	19,876
341	1	98.25	98.25	98.25			98.25	98.25	N/A	165,000	162,119
344	8	100.39	94.30	103.66	24.26	90.96	58.40	132.91	58.40 to 132.91	34,962	36,243
350	3	92.70	94.03	94.03	30.25	100.00	52.63	136.75	N/A	14,500	13,633
351	2	169.65	169.65	100.32	43.81	169.11	95.32	243.98	N/A	59,450	59,640
352	3	85.60	105.41	93.72	23.62	112.48	84.99	145.65	N/A	42,533	39,860
353	9	92.95	88.79	87.05	11.15	102.00	55.46	104.64	82.70 to 100.27	71,254	62,030
406	5	102.60	119.11	58.28	52.90	204.36	38.66	241.00	N/A	12,300	7,168
426	1	99.72	99.72	99.72			99.72	99.72	N/A	225,000	224,360
442	4	140.70	139.19	137.66	31.46	101.11	58.28	217.08	N/A	24,500	33,727
470	4	65.51	71.33	77.62	24.86	91.90	52.08	102.23	N/A	50,000	38,811
476	2	37.38	37.38	37.12	7.53	100.69	34.56	40.19	N/A	55,000	20,415
499	1	76.22	76.22	76.22			76.22	76.22	N/A	62,430	47,585
528	2	87.40	87.40	88.94	12.92	98.26	76.10	98.69	N/A	57,187	50,863
557	1	66.97	66.97	66.97			66.97	66.97	N/A	50,000	33,486
589	1	99.72	99.72	99.72			99.72	99.72	N/A	225,000	224,360
<u>ALL</u>	<u>63</u>	<u>96.11</u>	<u>100.33</u>	<u>90.54</u>	<u>32.55</u>	<u>110.81</u>	<u>34.56</u>	<u>243.98</u>	<u>84.99 to 99.72</u>	<u>45,163</u>	<u>40,891</u>

**2010 Correlation Section
for Custer County**

Commerical Real Property

I. Correlation

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

COMMERCIAL:In determining the level of value for the commercial class, both the assessment practices and the ratio study were considered. The sample contains a sufficient number of sales. It is believed that assessment actions are applied to the sold and unsold parcels uniformly in the commercial class; therefore, the median is the best indicator of the level of value. In correlating the three measures of central tendency, both the median and the mean are within the statutorily required range. The weighted mean is only slightly low at 91%. The qualitative measures are both above the standard range, but are being impacted by low dollar sales in the file. Based on the assessment practices employed in the county, it is believed that assessments are uniform and proportionate within the commercial class. There are no areas that suggest that a non-binding recommendation is necessary.

**2010 Correlation Section
for Custer 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 Assessor verifies all commercial sales by sending a verification questionnaire to the buyer in each real estate transaction. The questionnaire asks how long the property was on the market, how the property was listed for sale, whether any personal property was involved in the transaction, how the selling price was established and whether the seller assisted with financing. The assessor reports that about 30-40% of these documents are returned to the office. When the verification is not returned, or if the information provided is not sufficient, the assessor or staff will attempt to contact a realtor, attorney or other professional involved in the sale to verify the sale details. The part-time lister is sent out to review all sales that are not typical of the market.

A review of the non-qualified sales reveals the reasons given for the exclusion of sales. Nearly all of the non-qualified sales were either substantially changed properties, property sold by an exempt entity, family transactions, or foreclosures. Because of the reasons given for the exclusion of sales and the description of the verification practices employed by the county, it can be assumed that all arms length transactions were used in the measurement of the commercial class.

**2010 Correlation Section
for Custer 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	91	100

**2010 Correlation Section
for Custer 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
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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 Custer County, which are considered as one part of the analysis of the County's assessment practices.

	COD	PRD
R&O Statistics	32.55	110.81

COMMERCIAL: The qualitative measures are well above the acceptable range, but are being impacted by several low dollar sales in the file. When 16 sales with selling prices of less than \$10,000 are temporarily removed from the sales file, the qualitative statistics improve significantly. The PRD is brought into the acceptable range at 100.33%, and the COD is reduced to 24.46%. The COD is still somewhat high, but this is not uncommon in rural commercial markets.

2010 Assessment Actions for Custer County

taken to address the following property classes/subclasses:

Agricultural

A physical review of the agricultural improvements was completed in the following townships for 2010: Victoria, Milburn, West Union, Sargent, Corner, Lillian, Comstock, Spring Creek, Myrtle, Garfield and Loup. During the physical inspection an exterior review of all properties was completed. New photographs were taken of the property, changes were noted, and errors were corrected. An interior inspection is completed only when the lister is invited into the property.

The site values were increased to equalize the farm homes with the rural residential homes. The first acre home site value was increased from \$6,200 per acre to \$7,700 per acre. The farm site values were also increased from \$1,500 per acre to \$3,000 per acre.

The soil conversion was completed and implemented this year using the Agri Data program.

The assessor created a new subclass for grassland along the rivers and creeks within the county. All acres of frequently flooded soils were identified. The creation of this subclass will help the assessor track sales where a non-agricultural influence may be present.

During 2009, the assessor contracted with GIS Workshop, Inc to provide GIS Software. Implementation of the GIS began during the fall of 2009; two employees are committed to working on the GIS when time allows. The assessor notes that due to the size of the county, it will be a few years before the GIS mapping is fully implemented.

The assessor worked closely with the department to identify comparable sales in neighboring counties that could be used to expand the sales file for the measurement of the agricultural class.

A study of the market areas was completed, and the assessor identified the characteristics that were unique in each area. The assessor could no longer identify unique characteristics that were recognized by the market for area 6. The assessor noted that most of this area is very similar to area 1; however, the northern most section is more like area 3. For 2010, the boundary line between areas 3 and 6 was changed to reflect this. The remainder of market area 6 was valued the same as market area 1. The assessor has continued to maintain the boundary lines around market area 6, and will study the market again next year. If the assessor does not identify a

difference in the market for area 6, the market area will be dissolved into area 1 next year. For measurement purposes, areas 1 and 6 have been measured together for 2010.

A sales study was conducted for the agricultural class, and adjustments were made where warranted.

- Market Area 1 (and 6): All land uses received an increase; irrigated land increased approximately 26%, dry land about 18%, and grass about 8%. Do to the combination of the market areas the parcels that lie within market area 6 will notice slightly higher increases in all land uses.
- Market area 2 irrigated and grass land increased about 20%, dry land increased approximately 16%.
- Market area 3 received a 10% increase in irrigation; dry land received a 14% increase, while grassland increased 7%.
- Market area 4 irrigation increased 10%, dry land 5%, and grass 17%
- Market area 5 irrigated lands increased 10%, dry land increased 8%, and grassland increased approximately 4%.

2010 Assessment Survey for Custer County

Agricultural Appraisal Information

1.	Valuation data collection done by:
	The part time lister
2.	Does the County maintain more than one market area / valuation grouping in the agricultural property class?
	Yes, Custer County has six market areas
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.
	When the market areas were established by the assessor, factors such as soil type, irrigation potential, land use and topography were all determining factors. Each year the assessor plots sales on a county map to monitor market differences in the established areas.
b.	Describe the specific characteristics of the market area / valuation groupings that make them unique?
	<p>Market area 1 is the largest market area in Custer County and contains the best farm ground in the county. The soils are harder soils than are found in the other areas of the county, and this area also has the best irrigation potential.</p> <p>Market area 2 is the Sandhills area of Custer County, the majority of the land contains Valentine Soil. There is very little farming in this area, as the land is best suited to grazing.</p> <p>Market Area 3 is similar to the Sandhills area, pasture land is still the primary use of the land. However the soils in this area contain more loam than the soils in area 2, making some farming possible. The presence of the loamier soils also makes for better pasture land as there are fewer areas of blow sand, and better grass cover.</p> <p>Market Area 4 contains good farmland; the soils are harder, and more typical of the soils found in market area 1. However, irrigation is not as plentiful in market area 4 and the well depths are generally deeper.</p> <p>Market Area 5 is the area south of the South Loup River in southern Custer County. The terrain in the area is rough, and is primarily canyons. The majority of land use in this area will be grassland; however, some farming is done on the plateaus.</p> <p>Mark Area 6 is the area north of the Middle Loup River. This area is very similar to market area 1, and does not appear to have any definable characteristics. The assessor notes that historically property in this area has sold for less than market area 1. For 2010, the two areas have been valued the same. The assessor has maintained the market area boundary, and will continue to monitor sales</p>

	information for next year. Statistics for this market area will not appear in the R&O statistical profile; the market area has been combined with market area 1 for measurement purposes.
3.	Agricultural Land
a.	How is agricultural land defined in this county?
	Agricultural land – A parcel of land used primarily for the production of agricultural products. Rural acreages – A parcel of land under 40 acres that has no influence of adjoining agricultural parcels under the same ownership. Suburban – An area outside the limits of an incorporated city or village but within the legal jurisdiction of an incorporated city or village. An area of residential expansion shall be valued as suburban; Broken Bow shall be within 3 miles of the city and all other towns and villages shall be within 1 mile. Urban – A parcel of real property located within the limits of an incorporated city or village.
b.	When is it agricultural land, when is it residential, when is it recreational?
	Agricultural and residential lands are defined within the county’s policy. The county currently has no identified recreational acres, but is continually monitoring land use and market information for recreational influence.
c.	Are these definitions in writing?
	The agricultural and residential land definitions are in writing (see 5a), recreational land will be defined in the policy in the event that it becomes necessary.
d.	What are the recognized differences?
	Primary use
e.	How are rural home sites valued?
	Sales of vacant rural land that are classified as residential are used to set the value.
f.	Are rural home sites valued the same as rural residential home sites?
	Yes
g.	Are all rural home sites valued the same or are market differences recognized?
	All home sites are valued the same.
h.	What are the recognized differences?
	n/a
4.	What is the status of the soil conversion from the alpha to numeric notation?
	The soil conversion was completed during 2009, and implemented for 2010.
a.	Are land capability groupings (LCG) used to determine assessed value?
	Yes
b.	What other land characteristics or analysis are/is used to determine assessed values?
	Custer County maintains different values for canyon areas, irrigated acres without wells, sand areas outside of market area 2, and irrigated grass.
5.	Is land use updated annually?
	Yes

a.	By what method? (Physical inspection, FSA maps, etc.)
	Currently the land use study is completed through normal discovery, which can include physical inspection, NRD and FSA maps, well registrations, information from taxpayers, real estate agents, personal property listings etc. Custer County is in the process of implementing a GIS system which will be a tremendous asset in future land use studies.
6.	Is there agricultural land in the County that has a non-agricultural influence?
	It is probable that some of the ag land sales that have occurred in the county have sold with a recreational influence. However, these sales are sporadic (not limited to definable areas), and land use studies have indicated that the land is still being used for agricultural purposes.
a.	How is the County developing the value for non-agricultural influences?
	There is currently a lack of sales information to develop a separate value for the recreational influence. For 2010, the office will be identifying a frequently flooded soil type, which is generally found along the rivers, where the recreational influence seems to be highest. Identifying the soil as a separate LCG should help the assessor track sales of this land to determine if there is a non-agricultural market influence present.
b.	Has the County received applications for special valuation?
	No
c.	Describe special value methodology
	n/a
7	Pickup work:
a.	Is pickup work done annually and is it completed by March 19th?
	Yes
b.	By Whom?
	The part-time lister
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)
	Approximately 15 of the 31 townships in Custer County have been reviewed within the current 6 year review cycle.
a.	Does the County maintain a tracking process?
	The county maintains a map that helps them identify which townships have been reviewed. The county also documents in the CAMA system the date of the physical review.
b.	How are the results of the portion of the properties inspected and reviewed applied to the balance of the county?
	The same costing and depreciation schedule is used county wide for agricultural improvements to ensure that the properties are equalized.



Custer County 21

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	Area 2	Area 3	Area 4	Area 5
07/01/06 - 06/30/07	41	26	0	3	3	9
07/01/07 - 06/30/08	59	29	3	7	5	15
07/01/08 - 06/30/09	52	42	0	2	2	6
Totals	152	97	3	12	10	30

Added Sales:

Study Year	Total	Mkt 1	Mkt 2	Mkt 3	Mkt 4	Mkt 5
7/1/06 - 6/30/07	8	6	2	0	0	0
7/1/07 - 6/30/08	4	3	1	0	0	0
7/1/08 - 6/30/09	6	0	3	1	2	0
	18	9	6	1	2	

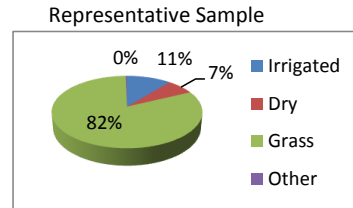
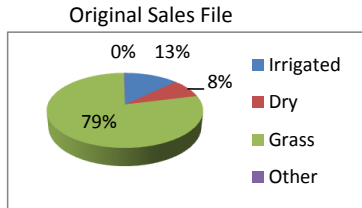
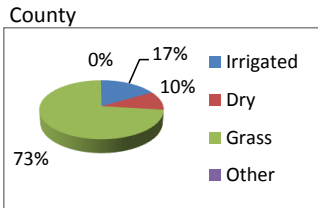
Final Results:

Study Year	County	Area 1	Area 2	Area 3	Area 4	Area 5
07/01/06 - 06/30/07	49	32	2	3	3	9
07/01/07 - 06/30/08	63	32	4	7	5	15
07/01/08 - 06/30/09	58	42	3	3	4	6
Totals	170	106	9	13	12	30

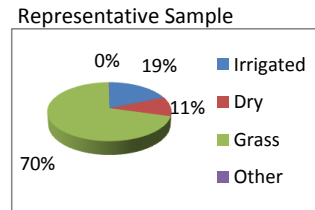
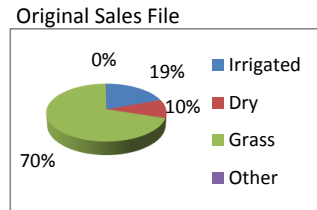
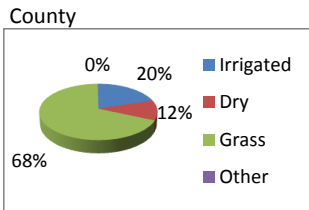
Representativeness by Majority Land Use

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.

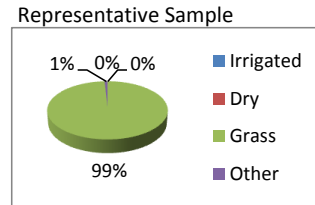
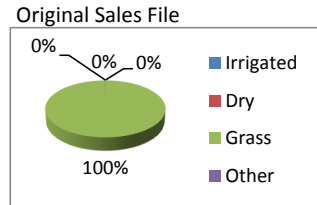
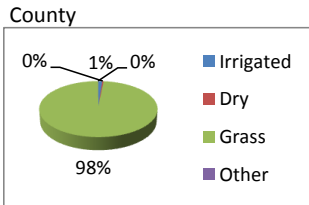
	Entire County		
	county	sales file	Sample
Irrigated	17%	13%	11%
Dry	10%	8%	7%
Grass	73%	79%	82%
Other	0%	0%	0%



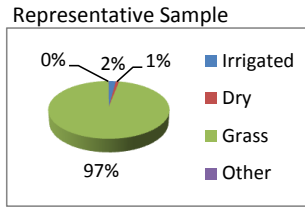
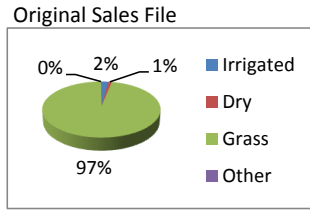
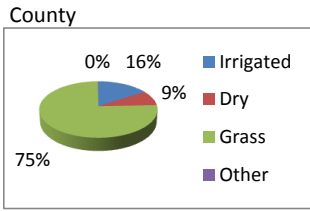
	Mkt Area 1		
	county	sales file	sample
Irrigated	20%	19%	19%
Dry	12%	10%	11%
Grass	68%	70%	70%
Other	0%	0%	0%



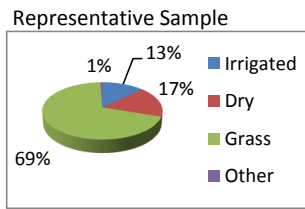
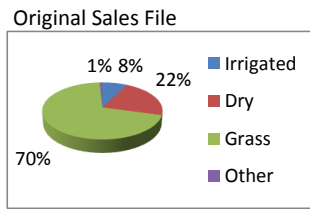
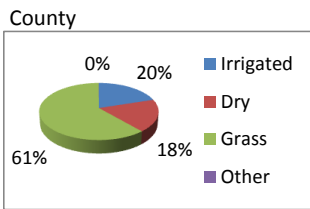
	Mkt Area 2		
	county	sales file	sample
Irrigated	1%	0%	0%
Dry	0%	0%	0%
Grass	98%	100%	99%
Other	0%	0%	1%



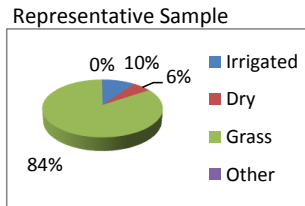
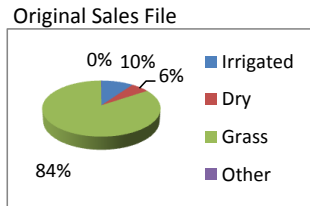
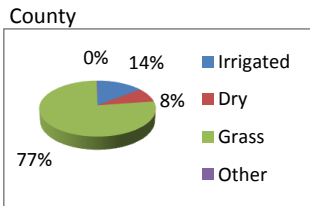
Mkt Area 3			
	county	sales file	sample
Irrigated	16%	2%	2%
Dry	9%	1%	1%
Grass	75%	97%	97%
Other	0%	0%	0%



Mkt Area 4			
	county	sales file	sample
Irrigated	20%	8%	13%
Dry	18%	22%	17%
Grass	61%	70%	69%
Other	0%	1%	1%



Mkt Area 5			
	county	sales file	sample
Irrigated	14%	10%	10%
Dry	8%	6%	6%
Grass	77%	84%	84%
Other	0%	0%	0%



Adequacy of Sample

	County Total	Mrkt Area 1	Mrkt Area 2	Mrkt Area 3	Mrkt Area 4	Mrkt Area 5
Number of Sales - Original Sales File	152	97	3	12	10	30
Number of Sales - Expanded Sample	170	106	9	13	12	30
Total Number of Acres Added	13547	1556	10760	278	953	0

Ratio Study

Final Statistics

County	Median	70%	AAD	16.00%
# sales 169	Mean	72%	COD	22.88%
	W. Mean	68%	PRD	105.38%

Preliminary Statistics

Median	65%	AAD	14.61%
Mean	64%	COD	22.36%
W. Mean	60%	PRD	107.37%

Market Area 1	Median	70%	AAD	15.32%
# sales 106	Mean	72%	COD	21.89%
	W. Mean	69%	PRD	104.15%

Median	64%	AAD	13.66%
Mean	63%	COD	21.30%
W. Mean	59%	PRD	106.15%

Market Area 2	Median	69%	AAD	12.25%
# sales 9	Mean	72%	COD	17.77%
	W. Mean	73%	PRD	97.79%

Median	57%	AAD	10.10%
Mean	59%	COD	17.70%
W. Mean	60%	PRD	97.82%

Market Area 3	Median	69%	AAD	17.39%
# sales 13	Mean	71%	COD	25.35%
	W. Mean	64%	PRD	111.26%

Median	67%	AAD	19.00%
Mean	70%	COD	28.27%
W. Mean	62%	PRD	112.87%

Market Area 4	Median	74%	AAD	16.16%
# sales 12	Mean	75%	COD	21.80%
	Mean	68%	PRD	110.44%

Median	67%	AAD	14.84%
Mean	68%	COD	22.18%
W. Mean	61%	PRD	111.68%

Market Area 5	Median	69%	AAD	19.07%
# sales 30	Mean	72%	COD	27.47%
	W. Mean	65%	PRD	111.31%

Median	68%	AAD	17.42%
Mean	67%	COD	25.68%
W. Mean	60%	PRD	110.99%

Majority Land Use

95% MLU	Irrigated		Dry		Grass	
	# Sales	Median	#	Median	# Sales	Median
County	10	74.71%	7	66.92%	75	71.07%
Mkt Area 1	6	81.89%	3	45.51%	38	71.83%
Mkt Area 2	0	N/A	0	N/A	9	68.91%
Mkt Area 3	2	44.41%	0	N/A	10	70.30%
Mkt Area 4	1	74.08%	2	65.40%	3	98.12%
Mkt Area 5	1	98.94%	2	135.39%	16	70.86%

80% MLU	Irrigated		Dry		Grass	
	# Sales	Median	#	Median	# Sales	Median
County	36	63.00%	9	66.92%	87	71.75%
Mkt Area 1	27	69.89%	5	45.51%	46	71.83%
Mkt Area 2	0	N/A	0	N/A	9	68.91%
Mkt Area 3	2	44.41%	0	N/A	11	72.01%
Mkt Area 4	2	64.16%	2	65.40%	4	86.22%
Mkt Area 5	5	46.67%	2	135.39%	18	70.86%

**Agricultural or Special
Valuation Correlation**

2010 Correlation Section

For Custer County

Agricultural Land

I. Correlation

The level of value for the agricultural land in Custer County, as determined by the PTA is 70%. The mathematically calculated median is 70%.

AGRICULTURAL LAND:

Custer County recognizes six different market areas; however, for 2010 two of the market areas (area 1 and 6) were valued the same and have been grouped together for measurement purposes. After discussing the market area characteristics with the assessor and analyzing the agricultural land in the area, it appears that the market area lines are appropriately drawn.

An analysis of the agricultural sales file was conducted. The distribution of sales among the three years of the study period was considered. Area one contained more sales in the most recent year of the study period than it did in the previous two years. Area four contained more sales in the first two years of the study period than it did in the newest year. Area five contained more sales in the middle year of the study period. The samples in areas two and three were proportionate. Because Custer County has experienced a rapidly increasing market in recent years, it is probable that a measurement produced from areas one and four would be skewed toward the year with the largest number of sales. Because market area five contained a relatively equal number of sales in years one and three, it is unlikely that a time skew would exist in the sample. Testing was done in area five to randomly remove sales from the middle year to determine if a skew did exist. The statistics calculate from the test samples indicated that there was no skew in the sample for area five.

The market area samples were further analyzed to determine if they were representative of the population and large enough to be reliable in the ratio studies. In areas one, two, four, and five the portion of irrigated, dry, and grass land acres in the sales file was very similar to the portion present in the overall market area, indicating that the sample was representative of the population. The sample for market area three was not representative of the population. It was further determined that the samples in areas one and five were large enough to be statistically reliable, but that the samples in two, three, and four were relatively small. While these samples were ultimately used in the ratio study, any increase in sample size could only improve the reliability of the calculated statistics. Areas one and four were expanded to remove any possible time skew. Areas two, three, and four were expanded to increase the size of the sample. In expanding the sample in area three, an attempt was also made to make it more representative of the population.

After reviewing the land characteristics in and around the county with the assessor, it was determined that all surrounding counties were comparable to Custer in the areas where they were adjoined. A list of sales was developed for use in the expansion of the sales file. In areas where an excessive number of sales existed, sales were given priority for inclusion based on their

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proximity to Custer County. In area three, only one sale was identified that was comparable; therefore, the sample could not be made representative of the population. Because the assessor attempts to treat all land uses equally, there is no concern that the measurements are not reliable in this subclass. The expansion of the samples also corrected any possible time skew, and allowed for uniform measurements.

The median and mean are similar and within the statutorily required range. The weighted mean is only slightly low, and is still somewhat supportive of the median. The median is the best indicator of the level of value. The qualitative statistics are above the standard range, but based on the systematic approach the assessor uses to assign agricultural land values, it is believed that assessments are uniform and proportionate in the agricultural class.

There is no information to suggest that a non-binding recommendation is necessary.

2010 Correlation Section

For Custer 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 Custer County Assessor verifies all commercial sales by sending a verification questionnaire to the buyer in each real estate transaction. The questionnaire asks how long the property was on the market, how the property was listed for sale, whether any personal property was involved in the transaction, how the selling price was established and whether the seller assisted with financing. The assessor reports that about 30-40% of these documents are returned to the office. When the verification is not returned or if the information provided is not sufficient the assessor or staff will attempt to contact a realtor, attorney or other professional involved in the sale to verify the details of the sale.

A review of the non-qualified sales reveals the reasons provided by the assessor for disqualifying sales. A large portion of the non-qualified sales are family transactions. The rest are centrally assessed property, substantially changed property, combination sales, land exchanges, and use changes. Due to the reasons given for the exclusion of sales as well as the description of the verification process employed by the county it can be assumed that all arms length sales were used in the measurement of the agricultural class.

2010 Correlation Section

For Custer 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	70	72	68

2010 Correlation Section

For Custer 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 Custer 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 Custer County, which are considered as one part of the analysis of the County's assessment practices.

	COD	PRD
R&O Statistics	22.88	105.38

AGRICULTURAL LAND:

Both qualitative measures are above the acceptable standard. The coefficient of dispersion measures how closely ratios are clustered around the median. Custer County has experienced a rapidly increasing agricultural market in the past few years, making it reasonable that the COD is high. If ratios were calculated for each individual year of the study period, it would reveal a steady decrease in the median each year, which explains the dispersion in the sale file and the high COD. The PRD is similarly affected by the increasing market; the mean (which is affected by outliers) is used to calculate the PRD.

Total Real Property Sum Lines 17, 25, & 30	Records : 14,256	Value : 1,417,526,230	Growth 8,241,200	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	638	1,245,385	156	1,326,173	72	805,710	866	3,377,268	
02. Res Improve Land	3,188	12,058,981	311	7,321,203	265	6,364,492	3,764	25,744,676	
03. Res Improvements	3,229	130,779,811	313	26,818,682	304	25,760,728	3,846	183,359,221	
04. Res Total	3,867	144,084,177	469	35,466,058	376	32,930,930	4,712	212,481,165	2,974,889
% of Res Total	82.07	67.81	9.95	16.69	7.98	15.50	33.05	14.99	36.10
05. Com UnImp Land	117	578,885	18	210,855	3	78,675	138	868,415	
06. Com Improve Land	544	6,466,371	51	1,085,653	8	246,308	603	7,798,332	
07. Com Improvements	565	36,258,113	55	6,958,772	16	4,776,539	636	47,993,424	
08. Com Total	682	43,303,369	73	8,255,280	19	5,101,522	774	56,660,171	1,119,499
% of Com Total	88.11	76.43	9.43	14.57	2.45	9.00	5.43	4.00	13.58
09. Ind UnImp Land	0	0	0	0	0	0	0	0	
10. Ind Improve Land	2	84,813	2	373,168	0	0	4	457,981	
11. Ind Improvements	2	241,395	2	5,104,753	0	0	4	5,346,148	
12. Ind Total	2	326,208	2	5,477,921	0	0	4	5,804,129	45,312
% of Ind Total	50.00	5.62	50.00	94.38	0.00	0.00	0.03	0.41	0.55
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	3,867	144,084,177	469	35,466,058	376	32,930,930	4,712	212,481,165	2,974,889
% of Res & Rec Total	82.07	67.81	9.95	16.69	7.98	15.50	33.05	14.99	36.10
Com & Ind Total	684	43,629,577	75	13,733,201	19	5,101,522	778	62,464,300	1,164,811
% of Com & Ind Total	87.92	69.85	9.64	21.99	2.44	8.17	5.46	4.41	14.13
17. Taxable Total	4,551	187,713,754	544	49,199,259	395	38,032,452	5,490	274,945,465	4,139,700
% of Taxable Total	82.90	68.27	9.91	17.89	7.19	13.83	38.51	19.40	50.23

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	7	245,158	2,654,930	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	7	245,158	2,654,930
20. Industrial	0	0	0	0	0	0
21. Other	0	0	0	0	0	0
22. Total Sch II				7	245,158	2,654,930

Schedule III : Mineral Interest Records

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

Schedule IV : Exempt Records : Non-Agricultural

	Urban Records	SubUrban Records	Rural Records	Total Records
26. Producing	505	42	542	1,089

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	47	500,449	13	391,244	6,560	683,662,800	6,620	684,554,493
28. Ag-Improved Land	5	60,581	13	407,296	2,067	338,206,246	2,085	338,674,123
29. Ag Improvements	8	183,210	13	617,538	2,125	118,551,401	2,146	119,352,149
30. Ag Total							8,766	1,142,580,765

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	5	5.00	40,370	8	9.00	81,180	
33. HomeSite Improvements	5	5.00	121,076	8	9.00	476,172	
34. HomeSite Total							
35. FarmSite UnImp Land	12	20.19	38,181	5	25.86	33,616	
36. FarmSite Improv Land	1	6.40	6,324	12	42.46	94,359	
37. FarmSite Improvements	8	0.00	62,134	13	0.00	141,366	
38. FarmSite Total							
39. Road & Ditches	0	1.10	0	0	9.17	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	18	17.80	135,010	18	17.80	135,010	
32. HomeSite Improv Land	1,363	1,454.89	11,099,503	1,376	1,468.89	11,221,053	
33. HomeSite Improvements	1,354	1,416.78	78,579,989	1,367	1,430.78	79,177,237	4,101,500
34. HomeSite Total				1,385	1,486.69	90,533,300	
35. FarmSite UnImp Land	24	58.40	154,236	41	104.45	226,033	
36. FarmSite Improv Land	1,739	2,755.13	8,218,936	1,752	2,803.99	8,319,619	
37. FarmSite Improvements	2,031	0.00	39,971,412	2,052	0.00	40,174,912	0
38. FarmSite Total				2,093	2,908.44	48,720,564	
39. Road & Ditches	0	15,986.12	0	0	15,996.39	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
41. Total Section VI				3,478	20,391.52	139,253,864	4,101,500

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	13	2,353.07	217,128	13	2,353.07	217,128

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	68,398.01	39.71%	137,885,789	45.84%	2,015.93
47. 2A1	13,796.41	8.01%	24,894,214	8.28%	1,804.40
48. 2A	18,988.71	11.02%	32,858,627	10.92%	1,730.43
49. 3A1	14,390.47	8.36%	23,282,648	7.74%	1,617.92
50. 3A	3,516.79	2.04%	5,266,335	1.75%	1,497.48
51. 4A1	23,975.92	13.92%	35,087,635	11.66%	1,463.45
52. 4A	29,168.50	16.94%	41,550,739	13.81%	1,424.51
53. Total	172,234.81	100.00%	300,825,987	100.00%	1,746.60
Dry					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	26,168.49	26.70%	19,629,323	31.97%	750.11
56. 2D1	8,565.06	8.74%	5,995,542	9.77%	700.00
57. 2D	8,733.23	8.91%	6,069,885	9.89%	695.03
58. 3D1	15,386.83	15.70%	10,003,625	16.29%	650.14
59. 3D	858.84	0.88%	438,008	0.71%	510.00
60. 4D1	20,040.98	20.44%	10,121,308	16.49%	505.03
61. 4D	18,272.61	18.64%	9,136,305	14.88%	500.00
62. Total	98,026.04	100.00%	61,393,996	100.00%	626.30
Grass					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	17,847.17	3.05%	8,596,660	3.21%	481.68
65. 2G1	15,974.89	2.73%	7,595,421	2.84%	475.46
66. 2G	13,600.80	2.32%	6,468,132	2.42%	475.57
67. 3G1	8,004.10	1.37%	3,773,042	1.41%	471.39
68. 3G	3,898.71	0.67%	1,834,027	0.68%	470.42
69. 4G1	45,984.57	7.86%	21,311,919	7.96%	463.46
70. 4G	479,678.26	82.00%	218,177,566	81.48%	454.84
71. Total	584,988.50	100.00%	267,756,767	100.00%	457.71
Irrigated Total					
Irrigated Total	172,234.81	20.09%	300,825,987	47.73%	1,746.60
Dry Total					
Dry Total	98,026.04	11.43%	61,393,996	9.74%	626.30
Grass Total					
Grass Total	584,988.50	68.24%	267,756,767	42.48%	457.71
Waste					
Waste	960.95	0.11%	33,661	0.01%	35.03
Other					
Other	1,082.82	0.13%	297,938	0.05%	275.15
Exempt					
Exempt	4,055.77	0.47%	0	0.00%	0.00
Market Area Total					
Market Area Total	857,293.12	100.00%	630,308,349	100.00%	735.23

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 2

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	0.00	0.00%	0	0.00%	0.00
46. 1A	31.90	1.49%	25,073	2.56%	785.99
47. 2A1	44.50	2.09%	26,315	2.69%	591.35
48. 2A	103.40	4.85%	53,420	5.46%	516.63
49. 3A1	2.10	0.10%	1,050	0.11%	500.00
50. 3A	376.10	17.63%	166,087	16.97%	441.60
51. 4A1	717.60	33.63%	320,722	32.77%	446.94
52. 4A	858.30	40.22%	386,075	39.45%	449.81
53. Total	2,133.90	100.00%	978,742	100.00%	458.66
Dry					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	80.80	15.66%	36,360	20.44%	450.00
56. 2D1	43.90	8.51%	19,316	10.86%	440.00
57. 2D	65.10	12.62%	26,040	14.64%	400.00
58. 3D1	23.90	4.63%	7,290	4.10%	305.02
59. 3D	73.20	14.19%	21,960	12.34%	300.00
60. 4D1	105.75	20.50%	31,199	17.54%	295.03
61. 4D	123.30	23.90%	35,757	20.10%	290.00
62. Total	515.95	100.00%	177,922	100.00%	344.84
Grass					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	140.93	0.08%	40,173	0.08%	285.06
65. 2G1	192.64	0.11%	54,903	0.11%	285.00
66. 2G	1,535.51	0.87%	437,648	0.87%	285.02
67. 3G1	314.70	0.18%	89,697	0.18%	285.02
68. 3G	3,513.81	1.99%	1,001,462	1.99%	285.01
69. 4G1	13,781.26	7.82%	3,927,740	7.82%	285.01
70. 4G	156,811.72	88.95%	44,680,654	88.95%	284.93
71. Total	176,290.57	100.00%	50,232,277	100.00%	284.94
Irrigated Total	2,133.90	1.19%	978,742	1.90%	458.66
Dry Total	515.95	0.29%	177,922	0.35%	344.84
Grass Total	176,290.57	98.42%	50,232,277	97.69%	284.94
Waste	55.00	0.03%	1,377	0.00%	25.04
Other	118.00	0.07%	29,500	0.06%	250.00
Exempt	161.89	0.09%	0	0.00%	0.00
Market Area Total	179,113.42	100.00%	51,419,818	100.00%	287.08

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 3

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	0.00	0.00%	0	0.00%	0.00
46. 1A	3,105.36	17.68%	3,222,202	22.72%	1,037.63
47. 2A1	847.30	4.82%	858,476	6.05%	1,013.19
48. 2A	4,120.23	23.46%	3,899,900	27.50%	946.52
49. 3A1	746.10	4.25%	663,681	4.68%	889.53
50. 3A	1,647.78	9.38%	1,424,435	10.04%	864.46
51. 4A1	3,623.40	20.63%	2,193,590	15.47%	605.40
52. 4A	3,474.43	19.78%	1,918,427	13.53%	552.16
53. Total	17,564.60	100.00%	14,180,711	100.00%	807.35
Dry					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	1,812.62	16.08%	851,931	17.77%	470.00
56. 2D1	195.70	1.74%	91,012	1.90%	465.06
57. 2D	2,875.16	25.50%	1,322,571	27.58%	460.00
58. 3D1	1,227.20	10.88%	497,043	10.36%	405.02
59. 3D	608.67	5.40%	243,468	5.08%	400.00
60. 4D1	2,572.53	22.82%	1,016,218	21.19%	395.03
61. 4D	1,982.71	17.59%	773,257	16.12%	390.00
62. Total	11,274.59	100.00%	4,795,500	100.00%	425.34
Grass					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	1,879.69	1.89%	757,540	2.24%	403.01
65. 2G1	927.69	0.93%	352,522	1.04%	380.00
66. 2G	5,445.94	5.48%	2,058,056	6.08%	377.91
67. 3G1	2,312.23	2.33%	882,095	2.61%	381.49
68. 3G	2,284.69	2.30%	845,336	2.50%	370.00
69. 4G1	11,818.76	11.90%	4,402,247	13.01%	372.48
70. 4G	74,661.49	75.16%	24,537,880	72.52%	328.66
71. Total	99,330.49	100.00%	33,835,676	100.00%	340.64
Irrigated Total					
Irrigated Total	17,564.60	13.65%	14,180,711	26.81%	807.35
Dry Total					
Dry Total	11,274.59	8.76%	4,795,500	9.07%	425.34
Grass Total					
Grass Total	99,330.49	77.21%	33,835,676	63.96%	340.64
Waste					
Waste	145.76	0.11%	5,110	0.01%	35.06
Other					
Other	327.80	0.25%	81,950	0.15%	250.00
Exempt					
Exempt	290.03	0.23%	0	0.00%	0.00
Market Area Total					
Market Area Total	128,643.24	100.00%	52,898,947	100.00%	411.21

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 4

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	0.00	0.00%	0	0.00%	0.00
46. 1A	11,667.18	37.33%	17,997,438	47.80%	1,542.57
47. 2A1	2,374.52	7.60%	3,292,383	8.74%	1,386.55
48. 2A	3,329.92	10.65%	3,832,021	10.18%	1,150.78
49. 3A1	4,794.29	15.34%	4,727,404	12.56%	986.05
50. 3A	398.20	1.27%	359,406	0.95%	902.58
51. 4A1	6,736.04	21.55%	6,170,879	16.39%	916.10
52. 4A	1,953.89	6.25%	1,271,899	3.38%	650.96
53. Total	31,254.04	100.00%	37,651,430	100.00%	1,204.69
Dry					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	8,435.88	29.44%	4,812,363	36.24%	570.46
56. 2D1	2,031.40	7.09%	884,410	6.66%	435.37
57. 2D	2,624.30	9.16%	1,128,449	8.50%	430.00
58. 3D1	7,181.55	25.06%	3,052,244	22.99%	425.01
59. 3D	139.93	0.49%	57,371	0.43%	410.00
60. 4D1	6,529.89	22.79%	2,644,731	19.92%	405.02
61. 4D	1,714.99	5.98%	698,020	5.26%	407.01
62. Total	28,657.94	100.00%	13,277,588	100.00%	463.31
Grass					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	5,531.09	5.77%	2,060,257	6.22%	372.49
65. 2G1	2,552.81	2.66%	931,855	2.81%	365.03
66. 2G	3,559.53	3.71%	1,299,332	3.92%	365.03
67. 3G1	3,323.98	3.47%	1,196,634	3.61%	360.00
68. 3G	633.01	0.66%	227,883	0.69%	360.00
69. 4G1	11,021.76	11.50%	3,859,264	11.65%	350.15
70. 4G	69,216.40	72.22%	23,564,435	71.11%	340.45
71. Total	95,838.58	100.00%	33,139,660	100.00%	345.79
Irrigated Total					
Irrigated Total	31,254.04	20.05%	37,651,430	44.78%	1,204.69
Dry Total					
Dry Total	28,657.94	18.39%	13,277,588	15.79%	463.31
Grass Total					
Grass Total	95,838.58	61.49%	33,139,660	39.41%	345.79
Waste					
Waste	109.32	0.07%	3,829	0.00%	35.03
Other					
Other	3.40	0.00%	7,140	0.01%	2,100.00
Exempt					
Exempt	650.17	0.42%	0	0.00%	0.00
Market Area Total					
Market Area Total	155,863.28	100.00%	84,079,647	100.00%	539.44

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 5

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	0.00	0.00%	0	0.00%	0.00
46. 1A	14,474.56	43.14%	18,173,613	49.42%	1,255.56
47. 2A1	3,806.76	11.35%	4,733,537	12.87%	1,243.46
48. 2A	4,743.23	14.14%	4,731,829	12.87%	997.60
49. 3A1	2,370.19	7.06%	2,344,843	6.38%	989.31
50. 3A	1,293.47	3.86%	1,121,255	3.05%	866.86
51. 4A1	4,038.72	12.04%	3,472,092	9.44%	859.70
52. 4A	2,823.90	8.42%	2,198,294	5.98%	778.46
53. Total	33,550.83	100.00%	36,775,463	100.00%	1,096.11
Dry					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	5,797.43	30.51%	3,914,779	35.33%	675.26
56. 2D1	2,137.01	11.25%	1,367,687	12.34%	640.00
57. 2D	1,919.07	10.10%	1,220,162	11.01%	635.81
58. 3D1	2,727.38	14.35%	1,609,154	14.52%	590.00
59. 3D	468.50	2.47%	222,556	2.01%	475.04
60. 4D1	3,240.69	17.05%	1,493,153	13.48%	460.75
61. 4D	2,713.25	14.28%	1,251,632	11.30%	461.30
62. Total	19,003.33	100.00%	11,079,123	100.00%	583.01
Grass					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	5,411.73	3.04%	2,467,968	3.20%	456.04
65. 2G1	5,470.90	3.07%	2,461,907	3.19%	450.00
66. 2G	3,794.56	2.13%	1,714,489	2.22%	451.83
67. 3G1	2,830.19	1.59%	1,260,012	1.63%	445.20
68. 3G	1,625.37	0.91%	725,013	0.94%	446.06
69. 4G1	11,750.24	6.60%	5,165,161	6.70%	439.58
70. 4G	147,236.32	82.66%	63,280,291	82.10%	429.79
71. Total	178,119.31	100.00%	77,074,841	100.00%	432.71
Irrigated Total					
Irrigated Total	33,550.83	14.49%	36,775,463	29.42%	1,096.11
Dry Total					
Dry Total	19,003.33	8.21%	11,079,123	8.86%	583.01
Grass Total					
Grass Total	178,119.31	76.94%	77,074,841	61.66%	432.71
Waste					
Waste	655.94	0.28%	22,986	0.02%	35.04
Other					
Other	173.15	0.07%	45,138	0.04%	260.69
Exempt					
Exempt	686.64	0.30%	0	0.00%	0.00
Market Area Total					
Market Area Total	231,502.56	100.00%	124,997,551	100.00%	539.94

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 6

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	0.00	0.00%	0	0.00%	0.00
46. 1A	10,736.06	49.43%	21,992,732	55.43%	2,048.49
47. 2A1	500.90	2.31%	925,356	2.33%	1,847.39
48. 2A	4,805.91	22.13%	8,340,207	21.02%	1,735.41
49. 3A1	373.50	1.72%	609,957	1.54%	1,633.08
50. 3A	2,763.39	12.72%	4,052,946	10.22%	1,466.66
51. 4A1	1,563.25	7.20%	2,301,292	5.80%	1,472.12
52. 4A	975.25	4.49%	1,450,739	3.66%	1,487.56
53. Total	21,718.26	100.00%	39,673,229	100.00%	1,826.72
Dry					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	659.84	18.52%	494,882	22.71%	750.00
56. 2D1	55.61	1.56%	38,927	1.79%	700.00
57. 2D	747.66	20.99%	519,649	23.85%	695.03
58. 3D1	458.59	12.87%	298,084	13.68%	650.00
59. 3D	185.60	5.21%	94,656	4.34%	510.00
60. 4D1	1,024.71	28.77%	517,497	23.75%	505.02
61. 4D	430.00	12.07%	215,000	9.87%	500.00
62. Total	3,562.01	100.00%	2,178,695	100.00%	611.65
Grass					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	894.01	2.80%	489,389	2.79%	547.41
65. 2G1	104.52	0.33%	55,501	0.32%	531.01
66. 2G	1,424.26	4.45%	739,752	4.22%	519.39
67. 3G1	389.30	1.22%	223,884	1.28%	575.09
68. 3G	5,891.89	18.42%	2,769,191	15.79%	470.00
69. 4G1	3,912.99	12.23%	1,812,500	10.33%	463.20
70. 4G	19,365.37	60.55%	11,447,736	65.27%	591.14
71. Total	31,982.34	100.00%	17,537,953	100.00%	548.36
Irrigated Total					
Irrigated Total	21,718.26	37.07%	39,673,229	66.54%	1,826.72
Dry Total					
Dry Total	3,562.01	6.08%	2,178,695	3.65%	611.65
Grass Total					
Grass Total	31,982.34	54.58%	17,537,953	29.41%	548.36
Waste	466.80	0.80%	16,347	0.03%	35.02
Other	865.45	1.48%	216,365	0.36%	250.00
Exempt	1,120.87	1.91%	0	0.00%	0.00
Market Area Total	58,594.86	100.00%	59,622,589	100.00%	1,017.54

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	232.65	403,107	223.14	380,313	278,000.65	429,302,142	278,456.44	430,085,562
77. Dry Land	26.54	18,413	127.08	87,088	160,886.24	92,797,323	161,039.86	92,902,824
78. Grass	117.72	54,635	261.15	121,653	1,166,170.92	479,400,886	1,166,549.79	479,577,174
79. Waste	0.00	0	9.46	331	2,384.31	82,979	2,393.77	83,310
80. Other	0.00	0	0.00	0	2,570.62	678,031	2,570.62	678,031
81. Exempt	62.33	0	209.42	0	6,693.62	0	6,965.37	0
82. Total	376.91	476,155	620.83	589,385	1,610,012.74	1,002,261,361	1,611,010.48	1,003,326,901

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	278,456.44	17.28%	430,085,562	42.87%	1,544.53
Dry Land	161,039.86	10.00%	92,902,824	9.26%	576.89
Grass	1,166,549.79	72.41%	479,577,174	47.80%	411.11
Waste	2,393.77	0.15%	83,310	0.01%	34.80
Other	2,570.62	0.16%	678,031	0.07%	263.76
Exempt	6,965.37	0.43%	0	0.00%	0.00
Total	1,611,010.48	100.00%	1,003,326,901	100.00%	622.79

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

21 Custer

	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	200,316,275	212,481,165	12,164,890	6.07%	2,974,889	4.59%
02. Recreational	0	0	0		0	
03. Ag-Homesite Land, Ag-Res Dwelling	79,857,399	90,533,300	10,675,901	13.37%	4,101,500	8.23%
04. Total Residential (sum lines 1-3)	280,173,674	303,014,465	22,840,791	8.15%	7,076,389	5.63%
05. Commercial	55,716,279	56,660,171	943,892	1.69%	1,119,499	-0.32%
06. Industrial	5,645,874	5,804,129	158,255	2.80%	45,312	2.00%
07. Ag-Farmsite Land, Outbuildings	44,722,819	48,720,564	3,997,745	8.94%	0	8.94%
08. Minerals	0	0	0		0	
09. Total Commercial (sum lines 5-8)	106,084,972	111,184,864	5,099,892	4.81%	1,164,811	3.71%
10. Total Non-Agland Real Property	386,258,646	414,199,329	27,940,683	7.23%	8,241,200	5.10%
11. Irrigated	352,632,893	430,085,562	77,452,669	21.96%		
12. Dryland	82,069,364	92,902,824	10,833,460	13.20%		
13. Grassland	442,412,251	479,577,174	37,164,923	8.40%		
14. Wasteland	111,151	83,310	-27,841	-25.05%		
15. Other Agland	5,920	678,031	672,111	11,353.23%		
16. Total Agricultural Land	877,231,579	1,003,326,901	126,095,322	14.37%		
17. Total Value of all Real Property (Locally Assessed)	1,263,490,225	1,417,526,230	154,036,005	12.19%	8,241,200	11.54%

**CUSTER COUNTY PLAN OF ASSESSMENT
ASSESSMENT YEARS 2010, 2011, AND 2012**

Introduction

Pursuant to LB 263, Section 9 the assessor shall submit a plan of assessment, which describes the assessment actions planned for the next assessment year and two years thereafter to the county board of equalization on or before July 31, 2009. The plan shall describe all the assessment actions necessary to achieve the levels of value and quality of assessment practices required by law, and the resources necessary to complete those actions. After the budget is approved by the county board a copy of the plan and any amendments thereto shall be mailed to the Property Assessment Division of the Department of Revenue on or before October 31 each year.

Real Property Assessment Requirements

All property in the State of Nebraska is subject to property tax unless expressly exempt by Nebraska Constitution, Article VII, 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” NE Rev. Stat. 77-112. (Reissue 2003).

Assessment levels required for real property are as follows:

- 1) 100% of actual value for all classes of real property excluding agricultural and horticultural land;
- 2) 75% of actual value for agricultural and horticultural land; and
- 3) 75% of special value for agricultural and horticultural land that meets the qualifications for special valuation under 77-1344 and 755 of its recapture value as defined in 77-1343 when the land is disqualified for special valuation under 77-1347.

General Description of Real Property in Custer County

Per the 2009 county Abstract, Custer County consists of the following real property types;

	<u>Parcels</u>	<u>% of Total Parcels</u>	<u>% of Taxable Value</u>
Residential	4717	33.15%	15.81%
Commercial	776	5.45%	4.47%
Industrial	4	.03%	.46%
Recreational	0	.00%	.00%
Agricultural	8733	61.37%	79.26%
Special Value	0	.00%	.00%

Agricultural land-taxable acres were 1,610,799.68 Acres.

Other pertinent facts: Custer County is predominately agricultural and 72% is grassland.

For more information see 2009 Reports and Opinions, Abstract, and Assessor Survey.

Current Resources

A. Staff/Budget/Training:

Assessor/\$42,314.50/I hold the assessor's certificate when I passed the test in the early 1980's. I have attended many of the IAAO courses and classes of the PA&T. I have all the hours needed at this time to keep the certificate current.

Deputy Assessor/\$31,735.88/She also holds the assessor's certificate, passing the test in 2004. She has completed all her hours needed at this time to keep the certificate current.

3 full time clerks-One clerk has 8 years experience in the assessor's office and one has 3 years experience and the third has 1 year experience.

1 part-time listers. The lister was hired in August 2007.

B. The Cadastral Maps were flown in the 1970's but are in good condition. They are kept current with monthly land sales. The county board agreed to hire Great Plains GIS Workshop to help the county get started with the county GIS program and we are currently using agridatainc.com to measure land by soil types and land use.

C. The Property Record cards list all information required by statute with current photos and sketches.

D. The county uses the TERASCAN software package. There are 5 terminals and 1 public-use terminal.

E. The county has a Web-site with all parcels listed.

Current Assessment Procedures for Real Property

A. Discovery: The County now has zoning and has a zoning administrator. Before any construction is allowed, the property owner must file a permit with the zoning administrator and in turn the assessor is notified. At the beginning of the year each property is reviewed for % of completion and valued accordingly. In Real Estate Transfers the name is changed within the month the deed is filed, cadastral maps updated, and a sales review is mailed to the new owner.

B. Data Collection: The part-time lister travels throughout the different areas each year, measuring each home, and outbuilding, taking new pictures, and interviewing each property owner as to the interior work. In new construction & remodeling the property is inspected inside and out. As sales occur, the sale is used for 3 years to set property values.

C. Review assessment sales ratio studies before assessment actions: The area Field Liaison works very hard with the assessor and staff and with the help of an excel program we enter sales data to be able to adjust the problem areas.

D. Approaches to Value:

1. Market Approach; sales comparison: Using the sales of the various styles, conditions, and ages, I use the information to adjust the depreciation.
2. Cost Approach: The RCN (replacement cost new) is figured with the July 2007 Marshall and Swift values from the TerraScan software system.
3. Income Approach: income and expense data collection/analysis from the market is done by the Commercial Appraiser that is hired to value commercial and industrial properties.
4. Sales of agricultural land is mapped out and when a trend in sales indicate a market area change is required will be the only time areas will change. One market area is set with soil type boundaries and two with natural boundaries such as rivers.

After assessment action, a review of the sales ratio is a top priority.

Notices of valuation changes are mailed to all property owners that have a change of value and notices are also published in the local newspaper.

Level of Value, Quality and Uniformity of Assessment Year 2009

<u>Property Class</u>	<u>Median</u>
Residential	97%
Commercial	95%
Agricultural Land	71%
Special Value Ag-land	00%

For more information regarding statistical measures see 2009 Reports and Opinions.

2009 ACTION TAKEN:

The villages of Arnold, and Anselmo were physically viewed and revalued. Also the improvements in the townships of Grant, Wayne, Elim, Arnold, Hayes, Triumph, Ryno, Kilfoil and Cliff were physically viewed and revalued.

REVALUATION PLAN:

2010

The villages of Merna and the improvements in the townships of Loup, Lillian, Victoria, Milburn, West Union, Sargent, Corner, Comstock, Sring Creek, Myrtle, and Garfield will be physically viewed and revalued.

2011

The villages of Ansley, Mason City, and Berwyn and the improvements in the townships of East Custer, Elk Creek, Algernon, Ansley, Westerville, Douglas Grove and Berwyn will be viewed and revalued.

2012

The village of Broken Bow City and the improvements in the township of Broken Bow.

COMMERCIAL PLAN:

2010

Only new construction or new commercial properties will need to be revalued by Stanard Appraisal Service unless sales indicate a need for further action.

2011

Only new construction or new commercial properties will need to be revalued by Stanard Appraisal Service unless sales indicate a need for further action.

2012

Only new construction of new commercial properties will need to be revalued by Stanard Appraisal Service unless sales indicate a need for further action.

AGRICULTURAL LAND :

2010

The land values will be figured at 75% of sales in a 3-year history and these values will be applied to each parcel in each market area.

2011

Land values will be figured at 75% of sales in a 3-year history and these values will be applied to each parcel in each market area.

2012

Land values will be figured at 75% of sales in a 3-year history and these values will be applied to each parcel in each market area.

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

I will continue to maintain the parcel records on each property owner making changes monthly of ownership and maintain accurate cadastral maps with ownership changes.

I will continually perform the duties required of me by law to serve the property owners of Custer County and to maintain equality in assessment for all. I will file all the administrative reports required by law/regulations such as abstracts, both real and personal property, the assessor's survey, the sales information to PA&T rosters & annual assessed value updates, school district taxable value report, homestead exemption tax loss report, and certificate of taxes levied report. I will certify the value to political subdivisions, and report the current values to the Board of Education Lands & Funds of properties they own and report the exempt property and taxable property owned by governmental subdivisions. I will also report to the county board the annual plan of assessment.

I will continually administer the annual filing of all personal property schedules and notify the taxpayer of incomplete filings, failure to file and penalties applied.

I will send the applications for annual filings for permissive exemptions, review and make recommendations to the county board.

I will administer approximately 650 annual filings of applications for homestead exemptions and assist where necessary and continue to monitor approval/denial process and send out denial notification.

I will continue to review the centrally assessed valuation certified by PA&T for railroads and public service entities, and establish assessment records and tax billing for tax list.

I will continue to manage the record/valuation information for properties in community redevelopment project (TIFF) and administer the reports and allocate the ad valorem tax.

I will continue to manage the tax entity boundaries making changes only when legal changes dictate and review the tax rates used for the tax billing process.

I will continue to prepare tax lists and certify these to the county treasurer for real estate, personal, and centrally assessed.

I will continue to attend the county board of equalization meetings for valuation protests and assemble and provide necessary information.

I will prepare information and attend taxpayer appeal hearings before TERC (tax equalization and review commission) to defend county valuations.

I will continue to attend hearing if applicable to the county, defend values and/or implement orders of the TERC.

I will continue to attend meetings, workshops, and educational classes to obtain required hours of continuing education for maintaining my assessor's certificate.

CONCLUSION:

The assessor maintains two budgets; the assessor's functions budget and the reappraisal budget. The assessor's office budget will remain almost the same at \$151,627.49. The reappraisal budget will be the same at 29,400.

Respectfully submitted:

Custer County Assessor

2010 Assessment Survey for Custer County

I. General Information

A. Staffing and Funding Information

1.	Deputy(ies) on staff
	1
2.	Appraiser(s) on staff
	0
3.	Other full-time employees
	3
4.	Other part-time employees
	1 part time lister
5.	Number of shared employees
	1 employee shared with the Register of Deeds
6.	Assessor's requested budget for current fiscal year
	\$154,727.88
7.	Adopted budget, or granted budget if different from above
	Same
8.	Amount of the total budget set aside for appraisal work
	n/a
9.	Appraisal/Reappraisal budget, if not part of the total budget
	\$28,720
10.	Part of the budget that is dedicated to the computer system
	The county clerk controls a budget for the computer system of the entire courthouse; however, \$30,000 of the assessor's budget is dedicated to the GIS system that is being implemented.
11.	Amount of the total budget set aside for education/workshops
	\$500
12.	Other miscellaneous funds
	n/a
13.	Was any of last year's budget not used:
	\$1,178 of the assessor's budget was unused, and \$7,163.67 of the appraisal budget was unused.

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?
	The maintenance of the cadastral maps is shared between the Assessor's office and the Register of Deeds office. The maps that are currently in use are not digitized and were flown in the 1970's.
5.	Does the county have GIS software?
	Yes, however it is not fully implemented at this time.
6.	Who maintains the GIS software and maps?
	Two members of the staff are currently in the process of building the GIS data, the assessor and the entire staff will be trained to use and maintain the software and maps.
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?
	Broken Bow only
4.	When was zoning implemented?
	2005

D. Contracted Services

1.	Appraisal Services
	For the commercial class of property, the assessor contracts with Stanard Appraisal Services; the remainder of the appraisal work is done in-house.
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 Custer 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