Commissioner Wickersham's partial statement of basis for vote.

I have reviewed reference works and exhibits and heard testimony as a basis for determining whether I could rely on the opinions of the level of value for agricultural land and horticultural land and the special value of agricultural land and horticultural land offered by the Property Tax Administrator if based on an enhanced sales file. An enhanced sales file in my terminology is file of qualified, arms length, sales of agricultural land and horticultural land in a given county during the preceding three year period ending June 30, 2009, that has been changed by the deletion or addition of sales or both. A review of various terms and the basics of statistical analysis and measurement of levels of value using ratio studies was my starting point. The terms and the basic principles I considered are set below.

Terminology

Bias. A statistic is said to be biased if the expected value of that statistic is not equal to the population parameter being estimated. A process is said to be biased if it produces results that vary systematically with some factor that should be irrelevant. In assessment administration assessment progressivity (regressivity) is one kind of possible bias. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 634.

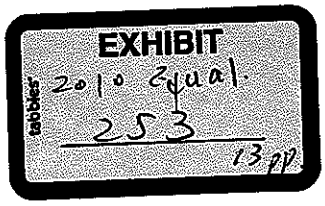
Class. A predefined category into which data may be put for further analysis. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 636.

Comparables; comparable sales. Recently sold properties that are similar in important aspects to a property being appraised. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 637.

Equalization. The process by which an appropriate governmental body attempts to ensure that property under its jurisdiction is appraised equitably at market value or as otherwise required by law. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 643.

Inferential statistics. The branch of statistical studies concerned with making predictions about the values of a a large number of observations or a variable on the basis of a small number of observations of that variable and related facts. (2) By extension the statistics calculated in such predictions. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 648.

Level of Appraisal. The common or overall ratio of apprised values to market values. Three concepts are usually of interest: the level required by law, the true or actual value, and the computed level bed on a ratio study. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 649.



Level of Assessment. The common or overall ratio of assessed values to market values. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 649.

Market-value standard. A requirement of law or practice that the assessment ratio of all properties be equal to 1. Two issues are implicit here: that fractional assessment levels be avoided and that all property be assessed on the basis of its market value and not on the basis of its value in particular use - for example agriculture - unless that use is the only use to which the property can be legally put (in which case its use value would be equal to its market value). *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 651.

Mass appraisal. The process of valuing a group of properties as of a given date, using standard methods, and allowing for statistical testing. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 651.

Objective. The quality of being definable by specific criteria without the need for judgement. Quantitative variables are objective. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 654.

Observation. One recording or occurrence of the value of a variable, for example, one sale ratio among a sample of sales ratios. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 654.

Parameter. Numerical descriptive measures of the population, for example the arithmetic mean or standard deviation. Parameters are generally unknown and estimated from statistics calculated from a sample of the population. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 655.

Population. All items of interest, for example all the properties in a jurisdiction or neighborhood. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 657.

Quantitative. Pertaining to the objective nature of some variable of interest, that is, something that can be measured or counted with little ambiguity. For example, number of bathrooms is a quantitative variable. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 658.

Random sample. A sample in which each item of the population has an equal chance of being included and by extension, each possible combination of n items has an equal chance of occurrence. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 659.

Ratio study. A study of the relationship between appraised or assessed values and market values. Indicators of market values may be either sales (sales ratio study) or independent "expert" appraisals (appraisal ratio study). *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 659.

Representative sample. A sample of observations from a larger population of observations, such that statistics from the sample can be expected to represent the characteristics of the population being studied. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 661.

Sales ratio study. A ratio study that uses sales prices as proxies for market values. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 661.

Sample. A set of observations selected from a population. If the sample was randomly selected, basic concepts of probability may be applied. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 661.

Skewed. The quality of a frequency distribution that makes it asymmetrical. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 662.

Statistics. (1) Numerical descriptions calculated from a sample, for example the median, mean, or coefficient of dispersion. Statistics are used to estimate corresponding measures, termed parameters for the population. (2) The science of studying numerical data systematically and of presenting the results usefully. Two main branches exist: descriptive statistics and inferential statistics. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 663.

Stratify. To divide, for purposes of analysis, a sample of observations into two or more subsets according to some criterion or set of criteria. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 664.

Stratum, stata (prl.). A class or subset that results from stratification. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 664.

Subjective. Having the quality of requiring judgement in arriving at an appropriate answer or value of a variable (such as the quality of a class of a structure. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 664.

Time-adjusted sale price. The price at which a property sold adjusted for the effects of a price changes reflected in the market between the date of sale and the date of analysis. *Property*

Assessment and Administration, The International Association of Assessing Officers, 1990 p. 665.

Trending. Adjusting the values of a variable for the effects of time. Usually used to refer to adjustments of assessments intended to reflect the effects of inflation and deflation and sometimes also, but not necessarily, the effects of changes in the demand for microlocational goods and services. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 665.

Variable. An item of observation that can assume various values, for example, square feet, sales, prices, or sales ratios. Variables are commonly described using measures of central tendency and dispersion. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 667.

Direct equalization. The process of converting ratio study results into adjustment factors (trends) and changing locally predetermined appraised or assessed values to more nearly reflect market value or the legally required level of assessment. *Standard on Ratio Studies,* The International Association of Assessing Officers, 2010 p. 40.

Reliability. In a sampling process, the extent to which the process yields consistent population estimates. Ratio studies are based on samples. Statistics derived from these samples may be more or less likely to reflect the true condition of the population depending on the reliability of the sample. Representativeness, sample size and sample uniformity all contribute to reliability. Formally reliability is measured by sampling error or the width of the confidence interval at a specific confidence level relative to the central tendency measure. *Standard on Ratio Studies,* The International Association of Assessing Officers, 2010 p. 43.

Sampling error. The error reflected in ratio study statistics that results solely from the fact that a sample of the population is used rather than a census of the population. *Standard on Ratio Studies,* The International Association of Assessing Officers, 2010 p. 43.

Generally Accepted Mass Appraisal Techniques. Those techniques and methods described as professionally accepted mass appraisal techniques and methods. 442 Neb. Admin. Code. ch. 9, §002.09 (6/09).

Professionally or Generally Accepted Mass Appraisal Methods and Techniques. Professionally or generally accepted mass appraisal methods and techniques include standards and techniques for mass appraisal recognized by the International Association of Assessing Officers and the Appraisal Institute. Methods or techniques may be professionally or generally accepted mass appraisal techniques, even if not contained within a IAAO or Appraisal institute publication or the Uniform Standards of Professional Appraisal Practice if evidence is presented regarding the use of a method or technique that is reliable, can be tested, is consistent with or utilizes existing

professionally or generally accepted mass appraisal methods or techniques and does not conflict with statutory or regulatory provisions. 442 Neb. Admin. Code, ch. 9, §001.45 (6/09).

Ratio Study Basics

The primary tool used to measure mass appraisal performance is the ratio study. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 515.

The ratio study is a flexible tool that can provide valuable information for a variety of purposes. The design of a ratio study should reflect its purposes, including any legal requirements, and the budget and staff available. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 517.

A ratio study usually has six parts: (1) delineation of objectives, (2) collection and preparation of data, (3) matching of appraisal and sales data, (4) stratification, (5) statistical analysis, and (6) evaluation and use of the results. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 517.

In ratio studies stratification is the sorting of parcels into relatively homogeneous groups based on use, physical characteristics or location. Stratification permits analysis of mass appraisal performance within and between property groups. The objectives of the ratio study determine the strata to be used. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 517.

Ratio studies have limitations. Perfection is not possible in mass appraisal, nor can a ratio study provide perfect information about appraisal performance, Insufficient sales or overrepresentation of one locale with an active market can distort results. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 518.

Sampling is the foundation on which the ratio study is built. Statistics calculated in the ratio study are used to draw conclusions (or inferences), based on information contained in the sample, about a population of properties. The population consists of all parcels in the jurisdiction, class, neighborhood, or other stratum under analysis. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 525, 526.

The characteristics of the population are known as parameters, and the corresponding characteristics of the sample as statistics. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 526.

The accuracy of statistics as estimators of population parameters depends on the representativeness of the sample. Types of property should appear with approximately the same relative frequency in both the sample and the population. (Ideally, the sample would be a

miniature replica of the population.) Representativeness is, in turn primarily a function of sample size and the method of selection. The method of selection should be random or approximately so. A random sample is one in which each item in the population has an equal chance of being included in the sample. Sales do not meet this strict definition, because some types of property tend to sell more frequently than others. Nevertheless stratification and other control procedures usually produce samples that are random enough for a ratio study. Because the objective of ratio studies is to measure appraisal performance, violations of the randomness assumption become serious when properties in the sample tend to be apprised more (or less) accurately than those that are underrepresented. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 526.

Perhaps the most frequent and serious obstacle to effective mass appraisal performance evaluation is the scarcity of sales data for certain types of property, particularly commercial properties. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 542.

Special procedures must be used to resolve problems of insufficient data. The procedures for augmenting sales data include obtaining data on all transfers, adjusting sales for nonmarket financing, personal property, or other special circumstances, and extending the sales period from which sales are selected. When prices are changing increasing the study period can be effective if sales prices are adjusted for time. The time period should not exceed three years in a rapidly rising market. Appraisal ratio studies may also be employed. *Property Assessment and Administration,* The International Association of Assessing Officers, 1990 p. 542 - 544.

There should be a program to track changes in price levels over time and adjust sale prices for time as required. This step is an important component of a ratio study. Time adjustments must be based on market analysis and supported with appropriate documentation. Valid time-adjustment techniques are as follows: tracking sales and appraisal ratios over time, including date-of-sale as a variable in regression and feedback models, analyzing resales, comparing per-unit values over time in homogeneous strata, such as a subdivision or condominium complex, isolating the effect of time through paired sales analysis, and statistically supported time trend analysis studies. *Standard on Ratio Studies,* The International Association of Assessing Officers, 2010 p. 51.

Oversight agencies can make any appropriate time adjustments after making all other adjustments. *Standard on Ratio Studies,* The International Association of Assessing Officers, 2010 p. 52.

The establishment of values for taxation is a different function than the evaluation of those values for compliance with required levels of value or quality. Both functions may use common data and similar statistical techniques.

Many state or provincial oversight bodies have a dual role. One is to advise and assist local appraisal offices, and the other role is to measure local appraisal performance. These two roles can create a conflict of interest, which should be minimized. *Standard on Ratio Studies,* The International Association of Assessing Officers, 2010 p. 21.

Steps should be taken to ensure that errors in the database made by the local jurisdiction do not materially or significantly affect the conclusions or opinion of value developed by the oversight agency. *Standard on Ratio Studies,* The International Association of Assessing Officers, 2010 p. 23.

Sales from area or substrata in which the number of sales is disproportionately large can distort ratio study results by weighting level and uniformity indicators toward whatever conditions exist in the overrepresented area. To alleviate this problem and create representativeness large samples can be further stratified by randomly selecting sales to be removed, isolating the overrepresented group into substrata, redfining the time period for overrepresented groups weighting the data." *Standard on Ratio Studies,* The International Association of Assessing Officers, 2010 p. 25.

The Property Tax Administrator annually shall make and issue comprehensive assessment ratio studies of the average level of assessment, the degree of assessment uniformity, and the overall compliance with assessment requirements for each major class of real property subject to the property tax in each county. The comprehensive assessment ratio studies shall be developed in compliance with professionally accepted mass appraisal techniques and shall employ such statistical analysis as deemed appropriate by the Property Tax Administrator, including measures of central tendency and dispersion. The comprehensive assessment ratio studies shall be based upon the sales file as developed in subsection (2) of this section and shall be used by the Property Tax Administrator for the analysis of the level of value and quality of assessment for purposes of section 77-5027 and by the Property Tax Administrator in establishing the adjusted valuations required by section 79-1016. Such studies may also be used by assessing officials in establishing assessed valuations. Neb. Rev. Stat. §77-1327(3) (Reissue 2009).

On or before nineteen days following the final filing due date for the abstract of assessment for real property pursuant to section 77-1514, the Property Tax Administrator shall prepare and deliver to the commission and to each county assessor his or her annual reports and opinions. Neb. Rev. Stat. §77-5027(2) (Reissue 2009).

The annual reports and opinions of the Property Tax Administrator shall contain statistical and narrative reports informing the commission of the level of value and the quality of assessment of the classes and subclasses of real property within the county and a certification of the opinion of the Property Tax Administrator regarding the level of value and quality of assessment of the classes and subclasses of real property in the county. Neb. Rev. Stat. §77-5027(3) (Reissue 2009).

After reviewing terms and ratio study basics I reviewed the measurement process developed by the Property Tax Administrator

Development of the Property Tax Administrators Opinions

Exhibit 107, the sales file practice manual, promulgated by the Property Assessment Division of the Department of Revenue, details the process for collection of information about transactions that might be included in the a sales file

A sales file of all qualified sales, arms length transactions, was developed. A roster of all sales in the sales file for a specified time period was developed. The time period encompassed by a roster was determined prior to October 31 of the year preceding the year for which the sales roster is being analyzed. Directive 10-2, April 2, 2010.

The directive for development of a sales file and roster was supplemented with a policy for use by the measurement section of the Property Assessment Division of the Department of Revenue. E108. Exhibit 108 discusses statistical tests that may be used to determine the reliability of a sample size. A sample that is not reliable due to insufficient size may be expanded by including previously rejected sales, agricultural land sales that are minimally improved, or comparble sales from surrounding area. (E108:1)

Exhibit 108 also sets out a process for evaluation of a sample to determine if the sample is representative. "A standard means of comparing the sales file to the entire county is based on land use and time of sale. The sales within the study period must be taken into account to ensure the ratio study statistics create an equalized level of value." (E108:2 & 3).

In addition to Directive 10-2 and policy 502, Exhibit 108, the Property Assessment Division provided guidance for its field liaisons. The guidance for field liaisons was received as Exhibit 127.

Exhibit 127 provides guidance on various topics including Adequacy of the Sample, Time Distribution of the Sample and Land use. Exhibit 127 discusses adequacy of the sample in terms of its representativeness. "For any given population, the representativeness of a sample will increase with size. As size increases, the characteristics of the sample converge with those of the population, so that the statistics computed from the sample are more likely valid measures of the population. In order to make the analysis a useful measure of the population every attempt must be made to add comparable sales in area that are determined by the liaison to be insufficient. Since a sufficient number of sales depends on factors such as likeness of properties and size of the parcels involved, it is inappropriate to use an absolute number as a yes or no answer when determining whether or not a sample is sufficient." (E127:2 & 3).

Exhibit 127 discusses Time Distribution of the Sample in terms of a proportionate distribution of sales across the study period. "Analyzing the sales distribution within the three year study period

ensures the median is not skewed towards the front or back of the study period. In areas where the middle year of the study period contains a disproportionately larger number of sales, the potential for distortion exists. The liaison should test the potential impact using methods, such as randomly removing sales from the overrepresented year. Samples that are disproportionate in numbers of sales for any particular timeframe can be used on their face if the liason has demonstrated the insignificancy of their contribution. Samples in which the middle year contains a disproportionately smaller number of sales should be supplemented with comparable sales when possible. Study year distribution must be analyzed for each market area as well as for the entire county. Strata are generally considered disproportionate when the number of sales in each year of the study period differs by more than 10 percent." (E127:3).

Exhibit 127 discusses Land use in terms of the representativeness of the sample. "The accuracy of statistics as estimators of the population depends on the representativeness of the sample. Types of property should appear with approximately the same frequency in both the sample and the population. Ideally, the sample should be a miniature replica of the population. The use of the land provides a standard means of comparing the sales file to the entire county when making representativeness determinations in agricultural land. Charts displayed in the analysis compare land use based on number of acres for each market area and for the entire county, as reported in the Form 45, Abstract of Assessment. The general degree of representativeness acceptable for this analysis is any comparison in which the profile of the county and the sales file differs by a margin of more than 10%." (E127:3 & 4).

Exhibit 127 discusses the process for identifying comparable sales. "Discuss the market areas with the assessor and determine from them what is unique about each of their market areas. Once the characteristics of parcels in each market area have been identified, then the criteria for the comparables have been established. As an example, if parcels in Market Area A are grouped together because all are topographically flat, have productive soil, and have irrigation potential, then comparables sought out for the subject area should be comprised of those same general characteristics. (E127:4 & 5).

Exhibit 127 discusses the process for selecting comparable sales. "After determining a general area from which comparable sales may drawn, a query of the sales file will offer sales. This can be accomplished with a roster export from the sales file. The geo code and section fields will give the general location of the sales. Because it is important that sales be added to the analysis without bias a selection process has been established. Sales should be selected using criteria that make the sample proportionate and representative at the same time. For example, if the sample contains a deficient number of sales in the third year of the study period and also is under represented for irrigated land, irrigated sales from the third year of the study period should be added to the sample. If an abundance of sales meeting the identified criteria exist, preference should be given to the sales closest in proximity to the subject county. Care must be taken to ensure that level of value judgements on land use categories are not skewed be a disproportionate group of sales. If the sample is already proportionate, but is not representative or adequate, sales

should be added to the sample in a way that would maintain the proportionate time distribution while increasing the year(s) with the smallest number of sales." (E127:5).

Exhibit 127 also discusses a process for removing sales if comparable sales cannot be added. "The preferred method of addressing time distribution or representativeness issues is to expand the analysis by including comparable sales from the same time period. In some instances a limited number of comparable sales may exist. In these occurrences other methods may be employed to ensure a meaningful ratio study is conducted. First, the liaison should review the sales that were previously determined to be non-qualified with the assessor. It may be possible to include some of these sales in the sales file. Secondly, the time period from which sales are drawn can be expanded. Finally, when all other methods have been exhausted the liaison should randomly eliminate sales from the over represented area. Caution must be taken when eliminating sales to ensure other substrata are not stripped of a sufficient number of sales. In general, a lesser degree of precision will have to be accepted when removing qualified sales from the subject county." (E127:6).

The Commission retained an expert to review the Property Tax Administrators testimony concerning development of the enhanced sales file and various exhibits that had been received at that stage of the proceeding.

Review of the process for development of the Property Tax Administrators Opinions as described by the Property Tax Administrator.

After review of the process for development of the Property Tax Administrator's opinions of the level of value and quality of assessment for unimproved agricultural land an expert retained by the Commission concluded that the process as described by the Property Tax Administrator did not comply with the IAAO Standard on Ratio Studies (2010). (E98:1). The Commission's expert also concluded that the requirement that a ratio study be based on a random sample was not met. (E98:1).

The expert retained by the Commission concluded that the process for selection of supplemental or borrowed sales as described was highly subjective, allowing two analysts to reach different conclusions. (E98:1).

The expert retained by the Commission also observed that the effect of balancing the sample or improving proportionality based on three years of sales was confusing. (E98:2). The Commission's expert observed that "If the desire of the TERC is to obtain the most accurate agricultural land ratios for the study year, then the most recent sales will provide the best information. The process used by the PTA will furnish the TERC with a three year rolling average ratio. If the goal of the PTA was to develop a ratio to reflect the current level of market value, then two steps could be taken: 1) use only the most recent set of "borrowed" sales from surrounding counties; and 2) trend all sales to the valuation date if there is evidence of inflation or deflation in the local market (this would require a detailed and rigorous analysis)." (E98:2).

The expert retained by the Commission testified that three methodologies could be used to supplement a sales file: 1) Add all sales that met objective criteria; 2) Add randomly select sales from a pool of sales developed using objective criteria; and 3) Add selected sales that met rigorous objective criteria and a process so well defined that two persons using the same sales would make the same choices.

The next phase of the review process was to consider the testimony of field liaisons and others as they described application of the process for development of an enhanced sales file.

Review of the process for development of the Property Tax Administrators Opinion as described by the Field Liaisons.

Field liaisons stated differing methods for using the time distribution guidance provided by Exhibit 127. Some field liaisons after computing the 10% factor applied it to each year of the study period calculating the difference between the number of sales in the first and second year, the second and third year and the first and third year and attempting to add sales if any calculation indicated a difference outside 10% tolerance. Some field liaisons calculated the difference between the first and third year to determine if the difference in number of sales between those two years was greater than the 10% factor and only considered changing the number of sales in the second year if testing determined that the sales in the third year affected a time bias.

Sales were added even though they were not necessary to alleviate a time distribution difference.

The market for agricultural land was uniformly described as a rising market over the three year period. The effect, all other factors being equal, of the addition of sales in the first year of the study period is to increase the estimated of level of value and to potentially show a need to decrease assessed values to meet the required level of value. The effect, all other factors being equal, of the addition of sales in the third year of the study period is to decrease the estimated level of value and to potentially show a need for lower assessed values to meet the required level of value.

Sales were added to obtain greater representativeness of the sales file even though the addition of sales was not indicated by the criteria stated in Exhibit 127.

Sales were added, making the sales file as supplemented, unreliable as an indicator of the level of value.

In accord with the advice presented in Exhibit 127, a liaison responsible for measurement of the performance of the assessor allowed the assessor to determine which sales to add to the sales file allowing the measured to directly influence measurement.

Sales were deleted from a sales roster when deletion was not indicated by the time distribution of sample guideline contained in Exhibit 127.

Field liaisons consulted with other field liaisons at various times and were aware of differences between them in the application of the guidance provided by Exhibit 127.

Sales were added in three market areas of a county. Use of the market areas was then deemed inappropriate as a basis for measurement of the level of value.

The field liaisons made honest efforts to interpret and implement general guidelines but in doing so did not establish the uniformity of application of selection criteria essential to an objective ratio study.

The selection of sales to supplement as sales file was made for specific purposes based on criteria developed as needed to accomplish the stated purpose i.e. the addition of n sales in a specific year of the study period. The selection of sales to supplement the sales files of subject counties for specific purposes produced a supplemented sales file that was not a random sample of the population for which inferences were to be drawn. Since a random sample is essential for statistical analysis the selection process rendered the supplemented sample unusable to statistical analysis

In some instances all "comparable" sales were used to supplement a subject county sales file to alleviate a greater than 10% time distribution variance. It is important to note that no testing of the 10% factor developed for detection of a time distribution bias was described The first criteria for selection of a "comparable" sale was its year in the time study. As noted the effect depending on the year of selection was to increase or decrease the estimated level of value. No effort was made to time adjust sales or to develop a trend line to determine the level of value. While the stated objective was to remove a potential bias from the sales file the effect was to create a bias for values in the middle of the time period. Nebraska law requires that agricultural land be valued at 75% of its actual value as of January 1 of each year in this instance as of January 1, 2010. The methodology employed would consistently estimate value as of a date prior to January 1, 2010. In effect a certain bias was imposed on the estimate of value in the name of relieving a potential but unproven bias. Whatever hazards there are when relying on a randomly drawn sales file, techniques are available to mitigate the effects of biases in a sample that do not in and of themselves create a new bias. Those techniques are to be preferred to a methodology that would create a new bias. Supplementing the sales file to remove a time distribution variance as described in Exhibit 127 is not in accord with generally accepted mass appraisal techniques and could not produce an estimate of the level of value as of January 1, 2010 as required by Nebraska law.

The random selection of sales to supplement the sales file of a subject county was not used.

Conclusions

The techniques used for the development of enhanced sales files to measure levels of value and quality of assessment for agricultural land and horticultural land and special value of

agricultural land and horticultural land for the year 2010 are not in accord with generally accepted mass appraisal techniques. Further the techniques have not been used or applied in a manner that is uniform nor can the process be said to have produced uniform results. The techniques for development of an enhanced sales file are therefore not in accord with the uniformity command of Nebraska's Constitution. To the extent that the opinions of the Property Tax Administrator concerning the levels of value and the quality of assessment of agricultural land and horticultural land and the special value of agricultural and horticultural land, are dependent on the levels of value indicated by the analysis of an enhanced sales file as described to the Commission, they are not derived from a basis that was developed in accord with generally accepted mass appraisal techniques or Nebraska's Constitution and they may not be considered further.