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2012 Commission Summary for Butler County

Residential Real Property - Current

Number of Sales	159	Median	92.75
Total Sales Price	\$12,788,315	Mean	93.52
Total Adj. Sales Price	\$12,743,215	Wgt. Mean	90.46
Total Assessed Value	\$11,527,590	Average Assessed Value of the Base	\$66,264
Avg. Adj. Sales Price	\$80,146	Avg. Assessed Value	\$72,501

Confidence Interval - Current

95% Median C.I	91.70 to 95.74
95% Wgt. Mean C.I	88.17 to 92.75
95% Mean C.I	91.09 to 95.95
% of Value of the Class of all Real Property Value in the	16.58
% of Records Sold in the Study Period	4.65
% of Value Sold in the Study Period	5.09

Residential Real Property - History

Year	Number of Sales	LOV	Median
2011	189	95	95
2010	182	95	95
2009	208	95	95
2008	219	96	96

2012 Commission Summary for Butler County

Commercial Real Property - Current

Number of Sales	22	Median	96.04
Total Sales Price	\$2,739,684	Mean	95.04
Total Adj. Sales Price	\$2,719,684	Wgt. Mean	86.13
Total Assessed Value	\$2,342,500	Average Assessed Value of the Base	\$179,251
Avg. Adj. Sales Price	\$123,622	Avg. Assessed Value	\$106,477

Confidence Interval - Current

95% Median C.I	88.16 to 102.34
95% Wgt. Mean C.I	75.26 to 97.01
95% Mean C.I	88.26 to 101.82
% of Value of the Class of all Real Property Value in the County	6.06
% of Records Sold in the Study Period	4.76
% of Value Sold in the Study Period	2.83

Commercial Real Property - History

Year	Number of Sales	LOV	Median
2011	25		96
2010	39	94	94
2009	28	95	95
2008	27	94	94

2012 Opinions of the Property Tax Administrator for Butler County

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

Class	Level of Value	Quality of Assessment	Non-binding recommendation
Residential Real Property	93	Meets generally accepted mass appraisal practices.	No recommendation.
Commercial Real Property	*NEI	Meets generally accepted mass appraisal practices.	No recommendation.
Agricultural Land	73	Meets generally accepted mass appraisal practices.	No recommendation.

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

Dated this 9th day of April, 2012.



Ruth A. Sorensen
Property Tax Administrator

2012 Residential Assessment Actions for Butler County

For 2012, Butler County has followed their 3 Year Plan which includes the following actions:

The county completed all pickup work of new improvements on residential parcels.

The county conducted a thorough sale verification and analysis process.

For 2012, Butler County inspected and reviewed all of the residences in the towns of Brainard, Dwight, Rising City and Ulysses. They also completed inspections of the rural residences, and the houses and the agricultural buildings located in the northeastern part of the county which includes Geocodes 2399, 2645, and 2647.

The inspection process included an off-site (drive by) review using the record cards to verify the measurements, classification and condition of the existing improvements. The county listed new unreported improvements and removed any houses or buildings from the records that had been torn down. If there was a discrepancy that required a measurement or closer inspection, they completed the process on-site. They take new photos of houses and other significant buildings. The major change for 2012 was to adjust the economic depreciation and in some cases the physical depreciation to equalize the valuation of the rural residences (acreages) and the residences on agricultural parcels. The county believes that there should be no difference in the valuation of those two subclasses of residences if the locations are similar.

Regarding the 6 year inspection process: the county reports that they have been doing systematic inspections since 1998. It is their intent to complete each inspection cycle in 3 to 4 years. The residential inspection and review is in its second cycle of inspection since 2007.

2012 Residential Assessment Survey for Butler County

1.	Valuation data collection done by:	
	Assessor and Staff	
2.	In your opinion, what are the valuation groupings recognized in the County and describe the unique characteristics of each grouping:	
	<u>Valuation Grouping</u>	<u>Description of unique characteristics:</u> The assessor uses the following assessor locations and subdivisions as unique. Each has characteristics that define their individual market. The predominant characteristics that separate them are location, schools, commercial activity and present use.
	01	<u>Bellwood Lakes, Benesch Lakes, Brandenburgh Lake, Jarecki Lake, Gans Lakes, Riverview Lake:</u> Primarily Improvements on Leased Land in neighborhoods near the city of Columbus. The majority of the parcels in this area are influenced by Columbus.
	02	<u>David City, Hildy Estates:</u> This includes all parcels within the city limits of David City and the adjoining subdivision. David City is the county seat.
	03	<u>Acreage, Adamy, Clear Lake, Cornell's Sub, Jarecki Sub, Loma, Riverside Meadow, and Valley Heights:</u> All parcels in this group are situated in rural Butler County.
	04	<u>Rising City:</u> This includes all parcels within the town of Rising City which market is influenced by commerce and the existence of a Grade School.
	05	Presently Not assigned.
	06	<u>Abie, Surprise, Ulysses, Bruno, Linwood, Garrison, Octavia:</u> Cluster of small towns with similar economic influences and are related due to the lack of significant commerce.
	07	<u>Dwight:</u> Consists of all parcels within the town of Dwight, which is economically impacted by a new grade school.
	08	<u>Brainard:</u> Consists of all parcels within the town of Brainard, which is economically impacted by a high school.
	09	<u>Bellwood:</u> Consists of all parcels within the town of Bellwood, which is economically impacted by a grade school.
3.	List and describe the approach(es) used to estimate the market value of residential properties.	
	The cost approach is used to estimate value in the residential class with Marshall Swift information used as the cost estimator.	

4	What is the costing year of the cost approach being used for each valuation grouping?
	06/2003 is the date of all residential costs
5.	If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor?
	Depreciation schedules are based on local market information.
6.	Are individual depreciation tables developed for each valuation grouping?
	The county develops a general physical depreciation table for use countywide. They then analyze the market of each individual valuation grouping and prepares economic and location factors to be separately applied to the parcels in each specific valuation group.
7.	When were the depreciation tables last updated for each valuation grouping?
	The county generally updates depreciation tables for the residential class in conjunction with area revaluations or reviews. However, all depreciation tables were updated in the residential class for 2010.
8.	When was the last lot value study completed for each valuation grouping?
	Lot value studies are generally conducted in conjunction with area revaluations.
9.	Describe the methodology used to determine the residential lot values?
	The county uses an analysis of vacant residential parcels to establish assessments for the land component of the assessed value.
10.	How do you determine whether a sold parcel is substantially changed?
	Among the factors used to determine if a parcel has been substantially changed after a sale are: -The construction of a new structure on a previously vacant or minimally improved lot. -A major addition or alteration to the structure, usually results in a change in square footage. -A dramatic increase in the depreciation, usually due to something like fire damage, vandalism or demolition of a structure. -Extensive rehabilitation and remodeling of an existing structure causing a significant reduction of depreciation. The assessor evaluates each situation independently and has no percentage of value change or rule of thumb used to determine substantial change.

12 Butler
RESIDENTIAL

PAD 2012 R&O Statistics (Using 2012 Values)

Qualified

Date Range: 7/1/2009 To 6/30/2011 Posted on: 3/21/2012

Number of Sales : 159
Total Sales Price : 12,788,315
Total Adj. Sales Price : 12,743,215
Total Assessed Value : 11,527,590
Avg. Adj. Sales Price : 80,146
Avg. Assessed Value : 72,501

MEDIAN : 93
WGT. MEAN : 90
MEAN : 94
COD : 12.54
PRD : 103.38

COV : 16.72
STD : 15.64
Avg. Abs. Dev : 11.63
MAX Sales Ratio : 141.54
MIN Sales Ratio : 52.38

95% Median C.I. : 91.70 to 95.74
95% Wgt. Mean C.I. : 88.17 to 92.75
95% Mean C.I. : 91.09 to 95.95

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DATE OF SALE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
<u>Qtrts</u>												
01-JUL-09 To 30-SEP-09	30	92.26	91.38	90.05	10.18	101.48	54.63	124.60	88.65 to 95.80	69,988	63,025	
01-OCT-09 To 31-DEC-09	18	93.07	96.01	97.05	10.10	98.93	68.74	129.30	91.69 to 99.78	84,461	81,971	
01-JAN-10 To 31-MAR-10	15	91.29	89.73	90.91	10.94	98.70	63.35	119.18	79.84 to 96.55	94,833	86,213	
01-APR-10 To 30-JUN-10	26	91.53	91.55	89.49	11.64	102.30	68.83	119.44	82.92 to 99.72	88,362	79,071	
01-JUL-10 To 30-SEP-10	14	96.98	101.29	94.21	09.94	107.52	82.66	135.32	90.52 to 108.16	72,317	68,129	
01-OCT-10 To 31-DEC-10	19	95.31	97.48	91.83	13.89	106.15	69.57	141.54	88.12 to 104.81	78,000	71,629	
01-JAN-11 To 31-MAR-11	13	94.34	90.05	87.83	12.55	102.53	66.10	109.75	73.45 to 102.39	76,731	67,391	
01-APR-11 To 30-JUN-11	24	92.52	93.04	84.83	18.41	109.68	52.38	132.43	77.25 to 106.85	79,643	67,561	
<u>Study Yrs</u>												
01-JUL-09 To 30-JUN-10	89	92.33	92.09	91.49	10.70	100.66	54.63	129.30	90.41 to 94.30	82,470	75,453	
01-JUL-10 To 30-JUN-11	70	95.08	95.34	89.06	14.35	107.05	52.38	141.54	90.67 to 98.96	77,191	68,747	
<u>Calendar Yrs</u>												
01-JAN-10 To 31-DEC-10	74	93.73	94.55	91.14	11.99	103.74	63.35	141.54	90.67 to 96.63	83,978	76,538	
<u>ALL</u>	159	92.75	93.52	90.46	12.54	103.38	52.38	141.54	91.70 to 95.74	80,146	72,501	

VALUATION GROUPING											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
01	11	94.05	86.71	82.28	12.91	105.38	54.63	103.57	60.80 to 101.82	70,182	57,743	
02	78	92.63	94.19	90.63	12.47	103.93	67.74	141.54	90.52 to 96.41	83,747	75,896	
03	23	92.30	91.55	89.85	09.74	101.89	71.11	119.16	85.54 to 98.48	137,237	123,302	
04	5	99.73	95.43	95.58	06.86	99.84	85.20	103.28	N/A	60,400	57,729	
06	20	95.53	94.58	90.17	17.57	104.89	52.38	135.32	82.22 to 107.68	30,851	27,818	
07	4	98.29	101.34	97.75	12.31	103.67	84.18	124.60	N/A	35,563	34,761	
08	8	96.12	91.93	90.09	10.93	102.04	63.35	109.18	63.35 to 109.18	49,406	44,511	
09	10	92.43	95.36	96.43	08.98	98.89	80.07	123.11	82.92 to 104.93	82,600	79,648	
<u>ALL</u>	159	92.75	93.52	90.46	12.54	103.38	52.38	141.54	91.70 to 95.74	80,146	72,501	

PROPERTY TYPE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
01	147	92.72	94.00	91.03	12.42	103.26	52.38	141.54	91.70 to 95.74	81,906	74,558	
06	9	94.05	84.38	79.06	14.68	106.73	54.63	103.57	60.80 to 98.67	68,278	53,978	
07	3	101.82	97.23	92.44	06.92	105.18	84.36	105.50	N/A	29,500	27,268	
<u>ALL</u>	159	92.75	93.52	90.46	12.54	103.38	52.38	141.54	91.70 to 95.74	80,146	72,501	

12 Butler
RESIDENTIAL

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SALE PRICE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
<u>Low \$ Ranges</u>												
Less Than 5,000	2	104.75	104.75	104.44	00.72	100.30	104.00	105.50	N/A	3,438	3,590	
Less Than 15,000	8	99.66	95.38	90.20	17.57	105.74	63.35	122.63	63.35 to 122.63	8,484	7,653	
Less Than 30,000	30	104.75	103.47	104.30	13.86	99.20	63.35	135.32	95.31 to 115.14	18,134	18,914	
<u>Ranges Excl. Low \$</u>												
Greater Than 4,999	157	92.72	93.38	90.45	12.53	103.24	52.38	141.54	91.69 to 95.31	81,123	73,378	
Greater Than 14,999	151	92.72	93.42	90.46	12.17	103.27	52.38	141.54	91.69 to 95.74	83,943	75,936	
Greater Than 29,999	129	92.33	91.21	89.84	11.16	101.52	52.38	141.54	90.16 to 94.05	94,567	84,963	
<u>Incremental Ranges</u>												
0 TO 4,999	2	104.75	104.75	104.44	00.72	100.30	104.00	105.50	N/A	3,438	3,590	
5,000 TO 14,999	6	89.91	92.26	88.60	22.48	104.13	63.35	122.63	63.35 to 122.63	10,167	9,008	
15,000 TO 29,999	22	106.40	106.41	106.31	12.45	100.09	66.95	135.32	94.19 to 119.18	21,643	23,009	
30,000 TO 59,999	38	94.57	95.02	94.47	11.45	100.58	52.38	141.54	90.67 to 102.27	44,287	41,839	
60,000 TO 99,999	45	92.53	92.29	92.00	10.87	100.32	54.63	123.11	89.46 to 98.67	80,651	74,197	
100,000 TO 149,999	23	81.40	83.41	83.47	12.29	99.93	60.80	101.26	75.90 to 92.58	121,241	101,198	
150,000 TO 249,999	23	90.52	90.59	90.37	08.78	100.24	73.45	129.30	85.58 to 93.16	178,193	161,036	
250,000 TO 499,999												
500,000 TO 999,999												
1,000,000 +												
<u>ALL</u>	159	92.75	93.52	90.46	12.54	103.38	52.38	141.54	91.70 to 95.74	80,146	72,501	

2012 Correlation Section for Butler County

A. Residential Real Property

Butler County is an agriculturally based county with an array of villages and small towns that exist primarily to support agriculture. David City is the largest town and the county seat. Butler County is bordered on the north by Platte and Colfax Counties, on the south by Seward County, on the east by Saunders County and on the west by Polk County. The county has divided the residential analysis and valuation work into 8 Valuation Groupings; all 8 of the Valuation Groupings are represented in the 2012 statistics. Most of these groups are centered on individual towns, lakes or rural residential parcels. In the Residential Survey and Residential Assessment Actions section of the R&O, the characteristics of the Valuation Groupings and the assessment process is described in detail. The county believes that each grouping is unique with differing combinations of population, schools, commercial activity, healthcare services and employment outside the agricultural sector. During the past few years there have been no significant economic events that have impacted the value of residential property. Some locations have shown some positive residential growth and some have been stable or declining. In all, the residential class is stable.

The key statistics considered for measurement are as follows: there are 159 qualified sales; the median ratio is 93%; the weighted mean ratio is 90%; the mean ratio is 94%; the COD is 12.54; the PRD is 103.38 and the 95% median confidence interval is 91.70 to 95.74. The analysis of the assessment process in the county goes beyond the statistics that are produced from the sales that have occurred in the current study period. The actions taken during the assessment process are of considerable importance when determining the quality of assessment. The assessor annually reports their assessment intentions in their 3 Year Plan; they verify their accomplishments during the interview for the Assessment Actions section of the R&O; and explain many of the other details and valuation procedures or policies during the preparation of the Survey. The discussion of their 6 Year Inspection process further reveals steps in any inspection, review or revaluation process and supports the thoroughness and the consistency of their actions. As of January 1, 2012, the county has completed all of their 6 year process of inspection and review of the residential property and are beginning the second cycle of inspection and review since 2007.

It is not certain that the county has achieved equalization in the residential class of property by simply reviewing the R&O Statistics. The Department does not depend solely on the assessment statistics to evaluate equalization in the county. The best basis to evaluate intra-county equalization is to determine that the valuation process is current, accurate, and applied consistently. The assessment actions narratives prepared this year and in prior years describe a process that likely to produce equalized results. The Department believes that the quality of assessment of residential property in the county is good. There are numerous reasons, but the most relevant are the Departments ongoing interaction with the assessor, and the assessors annual reporting of their actions with regard to residential property. The county has built thorough, high quality and current records by the regular inspection of all parcels, and the ongoing process of discovering any changes to those parcels. The county verifies all sales and reviews many of them in preparation for future updates or revaluations. They are in regular contact with many property owners to keep up to date on the local market. All of the available indications are that the county has done a consistent and uniform job of valuation. The costs used are universal across the county and the land values and depreciation are consistent within each valuation group.

**2012 Correlation Section
for Butler County**

During 2011, the Department conducted a review of the values sent into the sales file using the 2011 AVU. This process was done to make sure that the data that had been used for the measurement process was in fact the 2011 assessed values of the parcels in the sales file. This test of the assessment practices demonstrated no irregularities. Those practices are expected to also be the same for 2012.

The Department is confident that the current R&O Statistics are meaningful to measure the entire class partly because the sample is adequate and partly because the assessment actions are good. For 2012, the median ratio is 93% for the residential property. The PRD is within the acceptable range and COD is within the acceptable range. The median confidence interval indicates a level of value within the range of 92 to 100%. Considering all of the factors, the level of value is 93%. There are no notable subclasses outside the acceptable range. There are no recommendations for the adjustment of the class or for any subclasses of the residential class. The quality of assessment based on the assessment actions of the assessor for the residential class is acceptable.

**2012 Correlation Section
for Butler County**

B. Analysis of Sales Verification

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

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

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

2012 Correlation Section for Butler County

C. Measures of Central Tendency

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

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

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

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

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

**2012 Correlation Section
for Butler County**

D. Analysis of Quality of Assessment

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

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

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

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

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

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

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

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

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

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 on Ratio Studies, adopted by the International Association of Assessing Officers, January, 2010, recommends that the PRD should lie between 98 and 103. This range is

**2012 Correlation Section
for Butler County**

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

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

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

2012 Commercial Assessment Actions for Butler County

For 2012, Butler County has followed their 3 Year Plan which includes the following actions:

The county completed all pickup work of new improvements on commercial parcels.

The county conducted a thorough sale verification and analysis process.

For 2012, Butler County inspected and reviewed all of the commercial parcels in the towns of Brainard, Dwight, Rising City and Ulysses. They also inspected any commercial improvements located in the northeastern part of the county which includes Geocodes 2399, 2645, and 2647.

The inspection process included an off-site (drive by) review using the record cards to verify the measurements, classification and condition of the existing improvements. The county listed any new unreported improvements and removed any buildings from the records that had been torn down. If there was a discrepancy that required a measurement or closer inspection, they completed the process on-site. They took new photos all significant buildings. There was no new costing done and no change to the basic depreciation at this time.

Regarding the 6 year inspection process: the county reports that they have been doing systematic inspections since 1998. It is their intent to complete each inspection cycle in 3 to 4 years. The commercial inspection and review is in its second cycle of inspection since 2007.

2012 Commercial Assessment Survey for Butler County

1.	Valuation data collection done by:	
	Assessor and Staff	
2.	In your opinion, what are the valuation groupings recognized in the County and describe the unique characteristics of each grouping:	
	<u>Valuation Grouping</u>	<u>Description of unique characteristics:</u> In Butler County, the most important characteristic that contributes to the commercial value is the location, particularly as it relates to commercial activity. The only commercial area with broad and diverse commercial activity is David City, so it stands alone.
	<u>01</u>	<u>Includes all commercial parcels in Butler County outside the city limits of David City:</u> Parcels in this area are generally clustered in small numbers and exist in either small towns or rural areas. Specific characteristics of each property are diverse but the overall level of commercial activity of any kind is important.
	<u>02</u>	<u>David City:</u> Parcels in the town of David City are part of a commercial district and serve as the commercial hub for the county.
3.	List and describe the approach(es) used to estimate the market value of commercial properties.	
	The cost approach is the primary method used to estimate value in the commercial class, however, income information and comparable sales are considered when available.	
3a.	Describe the process used to value unique commercial properties.	
	Butler County has a limited number of unique properties, but when they do value one, they develop the cost approach and often rely on the expertise of a contract appraiser for the value and also make comparisons to any known similar property in other counties.	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	Yes, the cost date is 06/1999 and used for the entire commercial class.	
5.	If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor?	
	Depreciation tables are developed using information derived from the market.	

6.	Are individual depreciation tables developed for each valuation grouping?
	The basic physical depreciation tables are used throughout the commercial class. There are variations developed for locational or economic considerations. The economic variations are more related to the type and use of the structure and the locational variations more closely related to the valuation groups.
7.	When were the depreciation tables last updated for each valuation grouping?
	Depreciation tables are updated in conjunction with revaluations of particular areas. Revaluations or updates are completed at least once every six years.
8.	When was the last lot value study completed for each valuation grouping?
	Vacant lot values were last determined in each area in conjunction with revaluations.
9.	Describe the methodology used to determine the commercial lot values.
	Vacant commercial lots are valued primarily using market information from vacant lot sales.
10.	How do you determine whether a sold parcel is substantially changed?
	Among the factors used to determine if a parcel has been substantially changed after a sale are: -The construction of a new structure on a previously vacant or minimally improved lot. -A major addition or alteration to the structure, usually resulting in a change in square footage. -A dramatic increase in the depreciation, usually due to something like fire damage, vandalism or demolition of a structure. -Extensive rehabilitation and remodeling (change to the interior finish, mechanical systems or fixtures) of an existing structure causing a significant reduction of depreciation. The assessor evaluates each situation independently and has no percentage of value change or rule of thumb used to determine substantial change.

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COMMERCIAL

PAD 2012 R&O Statistics (Using 2012 Values)

Qualified

Date Range: 7/1/2008 To 6/30/2011 Posted on: 3/21/2012

Number of Sales : 22
Total Sales Price : 2,739,684
Total Adj. Sales Price : 2,719,684
Total Assessed Value : 2,342,500
Avg. Adj. Sales Price : 123,622
Avg. Assessed Value : 106,477

MEDIAN : 96
WGT. MEAN : 86
MEAN : 95
COD : 11.43
PRD : 110.34

COV : 16.08
STD : 15.28
Avg. Abs. Dev : 10.98
MAX Sales Ratio : 133.96
MIN Sales Ratio : 67.71

95% Median C.I. : 88.16 to 102.34
95% Wgt. Mean C.I. : 75.26 to 97.01
95% Mean C.I. : 88.26 to 101.82

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DATE OF SALE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
<u>Qtrts</u>												
01-JUL-08 To 30-SEP-08	6	94.17	91.97	82.01	08.89	112.14	70.60	106.09	70.60 to 106.09	244,455	200,488	
01-OCT-08 To 31-DEC-08	2	107.17	107.17	94.90	25.01	112.93	80.37	133.96	N/A	37,727	35,803	
01-JAN-09 To 31-MAR-09	1	110.39	110.39	110.39	00.00	100.00	110.39	110.39	N/A	40,000	44,155	
01-APR-09 To 30-JUN-09	2	103.62	103.62	104.22	07.57	99.42	95.78	111.46	N/A	32,500	33,873	
01-JUL-09 To 30-SEP-09	1	98.39	98.39	98.39	00.00	100.00	98.39	98.39	N/A	40,000	39,355	
01-OCT-09 To 31-DEC-09												
01-JAN-10 To 31-MAR-10												
01-APR-10 To 30-JUN-10	2	98.42	98.42	98.43	02.96	99.99	95.51	101.32	N/A	70,500	69,395	
01-JUL-10 To 30-SEP-10	3	95.32	89.92	92.96	10.57	96.73	72.11	102.34	N/A	155,333	144,400	
01-OCT-10 To 31-DEC-10	2	87.85	87.85	82.61	22.93	106.34	67.71	107.99	N/A	50,000	41,305	
01-JAN-11 To 31-MAR-11												
01-APR-11 To 30-JUN-11	3	88.45	88.79	80.53	07.80	110.26	78.60	99.31	N/A	108,500	87,372	
<u>Study Yrs</u>												
01-JUL-08 To 30-JUN-09	11	96.30	98.53	84.17	12.61	117.06	70.60	133.96	80.37 to 111.46	149,744	126,039	
01-JUL-09 To 30-JUN-10	3	98.39	98.41	98.42	01.97	99.99	95.51	101.32	N/A	60,333	59,382	
01-JUL-10 To 30-JUN-11	8	91.89	88.98	87.26	13.34	101.97	67.71	107.99	67.71 to 107.99	111,438	97,241	
<u>Calendar Yrs</u>												
01-JAN-09 To 31-DEC-09	4	104.39	104.01	104.31	06.63	99.71	95.78	111.46	N/A	36,250	37,814	
01-JAN-10 To 31-DEC-10	7	95.51	91.76	92.59	11.44	99.10	67.71	107.99	67.71 to 107.99	101,000	93,514	
<u>ALL</u>	22	96.04	95.04	86.13	11.43	110.34	67.71	133.96	88.16 to 102.34	123,622	106,477	

VALUATION GROUPING											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
01	8	91.84	87.76	78.21	14.29	112.21	67.71	110.39	67.71 to 110.39	176,529	138,071	
02	14	98.51	99.20	94.68	09.49	104.77	78.60	133.96	88.45 to 107.99	93,390	88,424	
<u>ALL</u>	22	96.04	95.04	86.13	11.43	110.34	67.71	133.96	88.16 to 102.34	123,622	106,477	

PROPERTY TYPE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
02												
03	22	96.04	95.04	86.13	11.43	110.34	67.71	133.96	88.16 to 102.34	123,622	106,477	
04												
<u>ALL</u>	22	96.04	95.04	86.13	11.43	110.34	67.71	133.96	88.16 to 102.34	123,622	106,477	

12 Butler
COMMERCIAL

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SALE PRICE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
___ Low \$ Ranges ___												
Less Than 5,000												
Less Than 15,000												
Less Than 30,000	3	99.31	109.86	108.75	12.64	101.02	96.30	133.96	N/A	21,918	23,835	
___ Ranges Excl. Low \$ ___												
Greater Than 4,999	22	96.04	95.04	86.13	11.43	110.34	67.71	133.96	88.16 to 102.34	123,622	106,477	
Greater Than 14,999	22	96.04	95.04	86.13	11.43	110.34	67.71	133.96	88.16 to 102.34	123,622	106,477	
Greater Than 29,999	19	95.51	92.70	85.57	10.97	108.33	67.71	111.46	80.37 to 102.34	139,681	119,526	
___ Incremental Ranges ___												
0 TO 4,999												
5,000 TO 14,999												
15,000 TO 29,999	3	99.31	109.86	108.75	12.64	101.02	96.30	133.96	N/A	21,918	23,835	
30,000 TO 59,999	7	98.39	98.98	98.11	09.47	100.89	80.37	111.46	80.37 to 111.46	38,143	37,421	
60,000 TO 99,999	5	92.04	85.74	86.06	12.39	99.63	67.71	101.32	N/A	74,500	64,117	
100,000 TO 149,999	2	100.49	100.49	100.55	01.85	99.94	98.63	102.34	N/A	104,000	104,575	
150,000 TO 249,999	1	106.09	106.09	106.09	00.00	100.00	106.09	106.09	N/A	190,000	201,565	
250,000 TO 499,999	3	88.16	87.36	87.32	06.32	100.05	78.60	95.32	N/A	272,167	237,668	
500,000 TO 999,999	1	70.60	70.60	70.60	00.00	100.00	70.60	70.60	N/A	799,930	564,740	
1,000,000 +												
___ ALL ___	22	96.04	95.04	86.13	11.43	110.34	67.71	133.96	88.16 to 102.34	123,622	106,477	

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RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
325	1	88.45	88.45	88.45	00.00	100.00	88.45	88.45	N/A	30,000	26,535
344	1	106.09	106.09	106.09	00.00	100.00	106.09	106.09	N/A	190,000	201,565
346	2	82.01	82.01	76.78	17.44	106.81	67.71	96.30	N/A	46,150	35,435
352	2	98.83	98.83	97.28	03.55	101.59	95.32	102.34	N/A	193,000	187,758
353	3	80.37	97.64	82.07	22.96	118.97	78.60	133.96	N/A	118,318	97,098
384	1	111.46	111.46	111.46	00.00	100.00	111.46	111.46	N/A	35,000	39,010
406	4	103.65	104.02	104.78	04.99	99.27	98.39	110.39	N/A	33,250	34,839
419	1	98.63	98.63	98.63	00.00	100.00	98.63	98.63	N/A	100,000	98,625
442	3	95.51	89.65	88.90	10.20	100.84	72.11	101.32	N/A	73,667	65,492
475	1	70.60	70.60	70.60	00.00	100.00	70.60	70.60	N/A	799,930	564,740
483	1	95.78	95.78	95.78	00.00	100.00	95.78	95.78	N/A	30,000	28,735
528	1	92.04	92.04	92.04	00.00	100.00	92.04	92.04	N/A	88,500	81,455
554	1	88.16	88.16	88.16	00.00	100.00	88.16	88.16	N/A	259,000	228,325
<u>ALL</u>	<u>22</u>	96.04	95.04	86.13	11.43	110.34	67.71	133.96	88.16 to 102.34	123,622	106,477

**2012 Correlation Section
for Butler County**

A. Commercial Real Property

Butler County is an agriculturally based county with an array of villages and small towns that exist primarily to support agriculture. Most of the commercial properties in the county either directly service or support agriculture or the people involved in agriculture. During the past year and even the past 5 to 10 years, commercial property has had no real economic booms or busts. Some property uses have prospered and grown and some have declined. In all, the commercial is stable but somewhat flat in terms of value.

The sales in the file have been reviewed and the following is noted:

There was no evidence that there was any value for personal property, inventory or going concern included in the adjusted selling price of any of the commercial parcels in Butler County. There was no evidence that there was any issue with the verification process and the resulting qualification codes completed by the assessor. The inspection and review process was completed prior to 2011 and is considered to be current. All of the commercial and industrial records are up to date. Based on that, the process used to value the commercial property is considered to be uniform.

The key statistics considered for measurement are as follows: there are 22 qualified sales; the median ratio is 96%; the weighted mean ratio is 86%; the mean ratio is 95%; the COD is 11.43; the PRD is 110.34 and the 95% median confidence interval is from 88.16 to 102.34. There is concern whether the 22 sales in the sales file are representative of the population of commercial and industrial property. Of the 22 total qualified sales, 14 occurred in David City, the predominant town. When the occupancy codes are reviewed, there are 13 different occupancy codes; there were 4 sales in occupancy code 406, (storage warehouse); 3 sales in occupancy code 353 (retail store); 3 sales in occupancy code 442 (bar / tavern); 2 sales in occupancy code 352 (multiple residence); and 2 sales in occupancy code 346 (post office). This is not the picture of a class that is proportional to the population. Considering that many property types have no representation in the sales file, it is unlikely that one stratum of commercial and industrial property is indicative of the value of another stratum. It is notable that the class of commercial and industrial is so broad that value of the class is impacted by both local and regional economic forces. We must rely on the notion that thorough, timely and consistent assessment actions may produce consistent valuations.

The COD and the PRD of any sample of 22 sales, particularly in a non-homogeneous class is not likely to be stable. If the COD is high, there is a tendency to declare that the valuation is not uniform. If the COD is too low, there is the concern that there were disparate assessment actions for the sales versus the unsold members of the class. Small samples of non-homogeneous property sales can produce excessively high, excessively low or very desirable statistics. This is not an indication of whether the sample is representative; it is simply a mathematical outcome, not a valid statistic. In this case, the sample is insufficient to produce meaningful measurement. In the end, the sample is too small to measure any real class or subclass, and class is too diverse to be adequately represented by the sample. That leaves the Department to conclude that there simply is not enough information available to determine a level of value for the class or for any subclass of the commercial and industrial property.

**2012 Correlation Section
for Butler County**

B. Analysis of Sales Verification

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

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

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

**2012 Correlation Section
for Butler County**

C. Measures of Central Tendency

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

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

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

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

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

2012 Correlation Section for Butler County

D. Analysis of Quality of Assessment

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

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

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

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

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

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

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

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

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

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 on Ratio Studies, adopted by the International Association of Assessing Officers, January, 2010, recommends that the PRD should lie between 98 and 103. This range is

**2012 Correlation Section
for Butler County**

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

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

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

2012 Agricultural Assessment Actions for Butler County

For 2012, Butler County has followed their 3 Year Plan which includes the following actions:

The county completed all pickup work of new improvements on agricultural parcels. They also update the land use on all parcels where changes have been reported or observed.

The county conducted a thorough sale verification and analysis process. Following that, they implemented new values for agricultural land throughout the county.

For 2012, Butler County had new aerial photos flown and have reviewed the photos for building changes. When changes were observed, the county did an on-site inspection to update the record.

For 2012, Butler County inspected and reviewed the agricultural houses and improvements located in the northeastern part of the county which includes Geocodes 2399, 2645, and 2647.

They inspected land use in this region using existing records and GIS maps to compare to their off-site visual observations. The inspection process included an off-site (drive by) review using the record cards to verify the measurements, classification and condition of the existing improvements. The county listed any new unreported improvements and removed any houses or buildings from the records that had been torn down. If there was a discrepancy that required a measurement or closer inspection, they completed the process on-site. They took new photos of houses and other significant buildings. There was no new costing done at this time. The acreage parcels in this region were also inspected and discussed on the residential assessment actions report.

Regarding the 6 Year inspection and review process: the county has completed the review of the residences and agricultural improvements on all agricultural parcels during 2010 for use in 2011. The work done during 2011 for use in 2012 is the beginning of the second inspection and review cycle.

2012 Agricultural Assessment Survey for Butler County

1.	Valuation data collection done by:	
	Assessor and Staff	
2.	List each market area, and describe the location and the specific characteristics that make each unique.	
	Market Area	Description of unique characteristics
	1	There is only one market area maintained in Butler County. Years of analysis of the agricultural sales have not produced information that persuaded the county to develop multiple market areas.
3.	Describe the process that is used to determine and monitor market areas.	
	The county reviews sale information and identifies common characteristics of the parcels and Similar parcels are grouped together. At this time all parcels in the county are influenced by the same market forces, so one market area has been defined.	
4.	Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land.	
	The county considers a parcel agricultural if it is primarily used for the production of an ag product, residential if it is not being used for ag and has a primary residence, and it is recreational if seasonal dwellings exist or non ag uses are predominant.	
5.	Do farm home sites carry the same value as rural residential home sites or are market differences recognized? If differences, what are the recognized market differences?	
	Farm home sites and rural residential home sites are valued the same. There are locations where the site values are different within the county, but the two types of sites are the same within those locations. The locational differences for both types of sites are characterized by their proximity to the city of Columbus.	
6.	What process is used to annually update land use? (Physical inspection, FSA maps, etc.)	
	Physical inspection, FSA maps, GIS, taxpayer notification, etc.	
7.	Describe the process used to identify and monitor the influence of non-agricultural characteristics.	
	The county is constantly monitoring sale activity; they verify agricultural sales with buyers and sellers to determine their motivation; they are aware of general agricultural land market trends; and they pay particular attention to sales that occur in the proximity to the river or other known recreational areas to identify any premiums paid.	

8.	Have special valuation applications been filed in the county? If yes, is there a value difference for the special valuation parcels.
	No
9.	How do you determine whether a sold parcel is substantially changed?
	In the case of agricultural land, the land use is a key indicator of substantial change. If the use of a parcel of land changes from dry or grass to irrigated the valuation difference is substantial. If there are only a few acres that change, that may not be viewed as substantial. If the resulting change in value is sufficient to noticeably distort the measurement of the parcel, it is considered substantial. The reasons that pertain to structures may be similar to the residential or commercial reasons, but the threshold for substantial may be greater if the total purchase price for the land is greater.

12 Butler
AGRICULTURAL LAND

PAD 2012 R&O Statistics (Using 2012 Values)

Qualified

Date Range: 7/1/2008 To 6/30/2011 Posted on: 3/21/2012

Number of Sales : 74
Total Sales Price : 24,437,116
Total Adj. Sales Price : 24,409,116
Total Assessed Value : 17,756,960
Avg. Adj. Sales Price : 329,853
Avg. Assessed Value : 239,959

MEDIAN : 73
WGT. MEAN : 73
MEAN : 77
COD : 23.36
PRD : 105.83

COV : 28.15
STD : 21.67
Avg. Abs. Dev : 17.08
MAX Sales Ratio : 139.86
MIN Sales Ratio : 42.78

95% Median C.I. : 66.59 to 80.50
95% Wgt. Mean C.I. : 68.43 to 77.06
95% Mean C.I. : 72.05 to 81.93

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DATE OF SALE *

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Qtrts</u>											
01-JUL-08 To 30-SEP-08	3	74.21	74.49	72.10	05.27	103.31	68.77	80.50	N/A	468,564	337,855
01-OCT-08 To 31-DEC-08	10	89.32	89.70	86.36	12.15	103.87	54.18	116.94	81.83 to 101.88	325,548	281,136
01-JAN-09 To 31-MAR-09	6	91.30	91.05	84.80	17.61	107.37	68.97	112.25	68.97 to 112.25	320,363	271,659
01-APR-09 To 30-JUN-09	6	91.56	87.03	89.35	12.29	97.40	53.65	100.76	53.65 to 100.76	310,243	277,198
01-JUL-09 To 30-SEP-09	5	79.18	74.72	81.49	12.01	91.69	46.99	89.48	N/A	296,956	242,002
01-OCT-09 To 31-DEC-09	1	91.13	91.13	91.13	00.00	100.00	91.13	91.13	N/A	252,000	229,640
01-JAN-10 To 31-MAR-10	12	69.99	72.81	70.60	19.97	103.13	42.78	109.87	65.11 to 81.08	237,991	168,033
01-APR-10 To 30-JUN-10	7	61.69	60.96	62.64	10.52	97.32	45.78	74.18	45.78 to 74.18	381,516	238,976
01-JUL-10 To 30-SEP-10	4	67.43	65.91	68.37	05.09	96.40	58.37	70.43	N/A	313,350	214,223
01-OCT-10 To 31-DEC-10	16	62.38	68.20	62.43	21.08	109.24	47.92	121.83	53.88 to 73.72	373,167	232,976
01-JAN-11 To 31-MAR-11	2	56.56	56.56	51.68	12.78	109.44	49.33	63.79	N/A	645,000	333,353
01-APR-11 To 30-JUN-11	2	137.71	137.71	138.42	01.57	99.49	135.55	139.86	N/A	93,481	129,400
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09	25	88.66	87.56	84.29	14.27	103.88	53.65	116.94	80.50 to 99.04	337,792	284,723
01-JUL-09 To 30-JUN-10	25	67.60	70.61	70.61	19.39	100.00	42.78	109.87	64.53 to 76.44	290,531	205,155
01-JUL-10 To 30-JUN-11	24	63.32	72.64	63.33	26.07	114.70	47.92	139.86	58.37 to 70.43	362,543	229,584
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09	18	86.86	85.18	85.73	15.21	99.36	46.99	112.25	76.44 to 99.62	306,690	262,933
01-JAN-10 To 31-DEC-10	39	65.47	68.09	64.89	18.21	104.93	42.78	121.83	59.88 to 68.26	326,938	212,147
<u>ALL</u>	74	73.13	76.99	72.75	23.36	105.83	42.78	139.86	66.59 to 80.50	329,853	239,959

AREA (MARKET)

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
1	74	73.13	76.99	72.75	23.36	105.83	42.78	139.86	66.59 to 80.50	329,853	239,959
<u>ALL</u>	74	73.13	76.99	72.75	23.36	105.83	42.78	139.86	66.59 to 80.50	329,853	239,959

95%MLU By Market Area

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Irrigated</u>											
County	12	78.72	78.52	76.34	12.84	102.86	62.69	99.04	67.21 to 88.66	348,341	265,912
1	12	78.72	78.52	76.34	12.84	102.86	62.69	99.04	67.21 to 88.66	348,341	265,912
<u>Dry</u>											
County	22	72.45	76.12	72.65	23.37	104.78	44.36	121.83	65.11 to 90.79	232,685	169,051
1	22	72.45	76.12	72.65	23.37	104.78	44.36	121.83	65.11 to 90.79	232,685	169,051
<u>ALL</u>	74	73.13	76.99	72.75	23.36	105.83	42.78	139.86	66.59 to 80.50	329,853	239,959

12 Butler
AGRICULTURAL LAND

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COV : 28.15
 STD : 21.67
 Avg. Abs. Dev : 17.08
 MAX Sales Ratio : 139.86
 MIN Sales Ratio : 42.78

95% Median C.I. : 66.59 to 80.50
 95% Wgt. Mean C.I. : 68.43 to 77.06
 95% Mean C.I. : 72.05 to 81.93

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80%MLU By Market Area

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
_____Irrigated_____											
County	25	74.21	76.80	71.62	15.58	107.23	49.33	109.83	67.60 to 83.07	506,978	363,074
1	25	74.21	76.80	71.62	15.58	107.23	49.33	109.83	67.60 to 83.07	506,978	363,074
_____Dry_____											
County	29	72.37	76.65	72.21	24.06	106.15	44.36	139.86	65.11 to 81.08	256,586	185,281
1	29	72.37	76.65	72.21	24.06	106.15	44.36	139.86	65.11 to 81.08	256,586	185,281
_____Grass_____											
County	3	50.00	48.81	49.31	07.24	98.99	42.78	53.65	N/A	187,004	92,217
1	3	50.00	48.81	49.31	07.24	98.99	42.78	53.65	N/A	187,004	92,217
_____ALL_____	74	73.13	76.99	72.75	23.36	105.83	42.78	139.86	66.59 to 80.50	329,853	239,959

Butler County 2012 Average LCG Value Comparison

	County	Mkt Area	1A1	1A	2A1	2A	3A1	3A	4A1	4A	AVG IRR
12.10	Butler	1	3,960	3,435	3,382	3,144	2,848	2,706	1,733	1,686	3,355
19.10	Colfax	1	4,410	4,120	4,020	3,880	3,530	3,300	2,800	2,500	3,806
71.60	Platte	6	4,375	4,245	3,939	3,803	3,665	3,528	3,091	2,500	3,808
72.10	Polk	1	3,626	3,278	3,068	2,862	2,819	2,600	2,512	2,193	3,321
78.10	Saunders	1	3,725	3,432	3,349	2,858	2,420	2,100	1,799	1,730	2,712
80.10	Seward	1	3,750	3,700	3,700	3,600	3,600	#DIV/0!	1,950	1,800	3,482
80.30	Seward	3	3,200	3,200	2,775	2,700	2,700	#DIV/0!	1,950	1,500	2,939
93.20	York	2	3,965	3,965	3,700	3,700	3,400	#DIV/0!	2,990	2,990	3,800

	County	Mkt Area	1D1	1D	2D1	2D	3D1	3D	4D1	4D	AVG DRY
	Butler	1	3,515	3,285	3,220	3,043	2,825	2,694	1,675	1,590	2,765
	Colfax	1	3,490	3,267	3,210	3,017	2,938	2,675	1,979	1,593	2,831
	Platte	6	3,437	3,310	2,933	2,819	2,834	2,646	2,134	1,560	2,854
	Polk	1	2,412	2,278	1,730	1,730	1,580	1,530	1,480	1,480	2,111
	Saunders	1	3,415	3,139	3,061	2,642	2,295	1,850	1,590	1,599	2,201
	Seward	1	3,100	3,100	2,600	2,600	2,200	#DIV/0!	1,950	1,500	2,599
	Seward	3	3,200	3,200	2,775	2,700	2,700	1,950	1,950	1,500	2,760
	York	2	3,400	3,400	2,800	2,800	2,600	#DIV/0!	2,400	2,399	3,068

	County	Mkt Area	1G1	1G	2G1	2G	3G1	3G	4G1	4G	AVG GRASS
	Butler	1	1,437	1,591	1,682	1,460	1,564	1,529	1,384	1,319	1,436
	Colfax	1	1,140	1,140	1,040	1,040	985	985	885	885	982
	Platte	6	1,369	1,301	1,290	1,332	1,197	1,155	1,171	1,132	1,185
	Polk	1	711	756	819	835	816	836	774	711	776
	Saunders	1	1,324	1,166	1,511	1,495	1,737	1,126	788	675	1,117
	Seward	1	841	884	732	685	664	900	607	549	635
	Seward	3	984	939	770	794	701	711	633	550	678
	York	2	964	945	849	853	816	#DIV/0!	811	803	830

*Land capability grouping averages calculated using data reported on the 2012 Form 45, Abstract of Assessment

2012 Correlation Section for Butler County

A. Agricultural Land

Butler County is an agriculturally based county with an array of villages and small towns that exist primarily to support agriculture. The primary crops are row crops with corn, soybeans, and some grain sorghum. There is pasture land spread throughout the county, but mostly concentrated in the east part of the county as well as along rivers and streams. The agricultural land is valued using only one market area. Butler County is bordered on the north by Platte and Colfax Counties, on the south by Seward County, on the east by Saunders County and on the west by Polk County. The agricultural economy is strong, driven by a very high grain prices for the past few years. The value of crop land has followed the high prices with historic increases in value. Grazing land has also experienced very large increases over the past 3 to 4 years. The assessed values of agricultural land have likewise increased each year at double digit percentages.

The measurement process begins with the sample of qualified sales that occurred within the 3 year study period defined for the 2012 R&O agricultural land measurement process. The sample made up of the county sales is adequate so there will be no additional sales needed to measure the level of value of the agricultural land. After the data has been analyzed and the county has revalued the agricultural land, the median ratio calculated for the county is 73%. The county has only identified 1 market area.

The key statistics considered for measurement are as follows: there are 74 qualified sales from the subject county, no qualified sales borrowed sales for a total of 74 qualified sales used in the analysis; the median ratio is 73%; the weighted mean ratio is 73%; the mean ratio is 77%; the COD is 23.36; the PRD is 105.83 and the 95% median confidence interval is 66.59 to 80.50.

Based on a review of the county schedule of values and a general knowledge of their assessment practices relating to the valuation of agricultural land the county has achieved intra-county equalization. Butler County reported that they completed the inspection and review of all residences and buildings on agricultural parcels by the end of 2010 for use in 2011. The 6 year process of inspection and review of land and structures in the agricultural class has been completed.

Schedule X of the 2012 Abstract of Butler County and the surrounding counties were compared to test for inter-county equalization. That comparison of the average assessed value for irrigated, dry and grass land uses revealed that the average assessed value for each of the land uses shows a logical progression from county to county. The values tended to be lower in the counties to the west and south and increase as you progress to the east and north, suggesting inter-county equalization. There are minor exceptions among some of the minor subclasses but most of the relevant ones fit the expected pattern.

The COD falls above the desired range and the PRD is also above the desired range in the statistical studies. This is not surprising given the rapid upward trend of the value of agricultural land. The county increased irrigated values by nearly 13% and dry values by nearly 12% and grass values by nearly 13%. Given the current market conditions the Department is not overly concerned that there are any quality issues in the valuation of agricultural land. The county has sound assessment practices relating to the verification and analysis of agricultural values. They have adequate tools and practices to keep land use up to date and there is no weakness or bias noticed in their assessment practices. The quality of assessment for agricultural land is good.

2012 Correlation Section for Butler County

There are indications in the MLU Tables that need to be addressed:

The 95% MLU Table for irrigated values indicates that the county with 12 sales is valued well above the range with a median of 78.72. Further analysis reveals a statistical bias to the median based on the distribution of the medians among the study years. The 95% irrigated MLU table for the county is distributed as follows: Study Year-1 has 6 sales; Study Year-2 has 4 sales; and Study Year-3 has 2 sales. This statistic is clearly biased toward the older sales that produce higher ratios. The 80% MLU Table for irrigated values indicates that the county with 25 sales is valued at the top of the range with a median of 74.21. Further analysis reveals a slight but similar bias to the median based on the distribution of the medians among the study years. The 80% irrigated MLU table for the county is distributed as follows: Study Year-1 has 11 sales; Study Year-2 has 8 sales; and Study Year-3 has 6 sales. This statistic is still slightly biased toward the older sales that produce higher ratios. The dry MLU Tables all indicate that the dry values are at 72%. The breakdown of the distribution of the medians is slightly biased toward the middle and more recent study years, suggesting that the level of value should be a bit higher. Taken all together, and considering the relative similarity of the irrigated and dry values to the surrounding counties, the overall measure of 73% for the level of value is logical for both subclasses and for the county as a whole.

It is the opinion of the Department that the level of value for agricultural land of value falls at or near the median ratio of the R&O Statistics, since the overall sample is both proportional and representative. The county values are relatively comparable to the surrounding counties and the practices of Butler County are good. The apparent level of value is 73% and the quality of the assessment process is acceptable. There are no recommended adjustments to the class or to any subclass of agricultural land.

**2012 Correlation Section
for Butler County**

B. Analysis of Sales Verification

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

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

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

2012 Correlation Section for Butler County

C. Measures of Central Tendency

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

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

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

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

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

2012 Correlation Section for Butler County

D. Analysis of Quality of Assessment

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

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

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

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

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

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

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

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

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

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 on Ratio Studies, adopted by the International Association of Assessing Officers, January, 2010, recommends that the PRD should lie between 98 and 103. This range is

**2012 Correlation Section
for Butler County**

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

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

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

Total Real Property Sum Lines 17, 25, & 30	Records : 7,738	Value : 1,366,771,195	Growth 12,410,939	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	224	716,085	5	48,735	68	775,785	297	1,540,605	
02. Res Improve Land	2,033	12,396,095	16	342,800	648	17,225,550	2,697	29,964,445	
03. Res Improvements	2,092	108,318,130	16	2,259,165	737	72,288,510	2,845	182,865,805	
04. Res Total	2,316	121,430,310	21	2,650,700	805	90,289,845	3,142	214,370,855	4,620,504
% of Res Total	73.71	56.64	0.67	1.24	25.62	42.12	40.60	15.68	37.23
05. Com UnImp Land	51	340,115	0	0	13	1,771,920	64	2,112,035	
06. Com Improve Land	306	2,379,540	5	69,375	55	6,951,920	366	9,400,835	
07. Com Improvements	319	33,254,100	5	432,405	70	18,099,395	394	51,785,900	
08. Com Total	370	35,973,755	5	501,780	83	26,823,235	458	63,298,770	2,413,375
% of Com Total	80.79	56.83	1.09	0.79	18.12	42.38	5.92	4.63	19.45
09. Ind UnImp Land	0	0	0	0	0	0	0	0	
10. Ind Improve Land	3	475,625	0	0	1	780,850	4	1,256,475	
11. Ind Improvements	3	4,286,680	0	0	1	13,972,235	4	18,258,915	
12. Ind Total	3	4,762,305	0	0	1	14,753,085	4	19,515,390	541,450
% of Ind Total	75.00	24.40	0.00	0.00	25.00	75.60	0.05	1.43	4.36
13. Rec UnImp Land	0	0	0	0	18	954,645	18	954,645	
14. Rec Improve Land	0	0	0	0	46	1,446,490	46	1,446,490	
15. Rec Improvements	0	0	0	0	260	9,852,180	260	9,852,180	
16. Rec Total	0	0	0	0	278	12,253,315	278	12,253,315	169,645
% of Rec Total	0.00	0.00	0.00	0.00	100.00	100.00	3.59	0.90	1.37
Res & Rec Total	2,316	121,430,310	21	2,650,700	1,083	102,543,160	3,420	226,624,170	4,790,149
% of Res & Rec Total	67.72	53.58	0.61	1.17	31.67	45.25	44.20	16.58	38.60
Com & Ind Total	373	40,736,060	5	501,780	84	41,576,320	462	82,814,160	2,954,825
% of Com & Ind Total	80.74	49.19	1.08	0.61	18.18	50.20	5.97	6.06	23.81
17. Taxable Total	2,689	162,166,370	26	3,152,480	1,167	144,119,480	3,882	309,438,330	7,744,974
% of Taxable Total	69.27	52.41	0.67	1.02	30.06	46.57	50.17	22.64	62.40

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	8	1,117,565	1,866,570	0	0	0
20. Industrial	1	3,346,910	754,810	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	8	1,117,565	1,866,570
20. Industrial	0	0	0	1	3,346,910	754,810
21. Other	0	0	0	0	0	0
22. Total Sch II				9	4,464,475	2,621,380

Schedule III : Mineral Interest Records

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

Schedule IV : Exempt Records : Non-Agricultural

	Urban Records	SubUrban Records	Rural Records	Total Records
26. Exempt	257	2	435	694

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	87	1,065,900	1	41,585	2,412	580,711,440	2,500	581,818,925
28. Ag-Improved Land	3	526,435	2	53,665	1,286	397,151,225	1,291	397,731,325
29. Ag Improvements	3	65,985	2	68,460	1,351	77,648,170	1,356	77,782,615
30. Ag Total							3,856	1,057,332,865

Schedule VI : Agricultural Records :Non-Agricultural Detail

	Urban			SubUrban			Growth
	Records	Acres	Value	Records	Acres	Value	
31. HomeSite UnImp Land	1	1.00	18,000	0	0.00	0	
32. HomeSite Improv Land	1	1.00	18,000	0	0.00	0	
33. HomeSite Improvements	1	1.00	33,055	0	0.00	0	
34. HomeSite Total							
35. FarmSite UnImp Land	5	3.35	13,700	0	0.00	0	
36. FarmSite Improv Land	3	3.52	16,155	2	2.46	10,920	
37. FarmSite Improvements	3	0.00	32,930	2	0.00	68,460	
38. FarmSite Total							
39. Road & Ditches	0	6.49	0	0	0.75	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	8	6.83	145,000	9	7.83	163,000	
32. HomeSite Improv Land	821	825.67	14,859,370	822	826.67	14,877,370	
33. HomeSite Improvements	830	797.85	50,614,810	831	798.85	50,647,865	4,665,965
34. HomeSite Total				840	834.50	65,688,235	
35. FarmSite UnImp Land	40	427.22	886,115	45	430.57	899,815	
36. FarmSite Improv Land	1,236	3,468.66	14,689,630	1,241	3,474.64	14,716,705	
37. FarmSite Improvements	1,313	0.00	27,033,360	1,318	0.00	27,134,750	0
38. FarmSite Total				1,363	3,905.21	42,751,270	
39. Road & Ditches	0	7,647.59	0	0	7,654.83	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
41. Total Section VI				2,203	12,394.54	108,439,505	4,665,965

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

	Urban			SubUrban		
	Records	Acres	Value	Records	Acres	Value
42. Game & Parks	1	0.00	858,635	0	0.00	0
	Rural			Total		
	Records	Acres	Value	Records	Acres	Value
42. Game & Parks	2	316.95	406,205	3	316.95	1,264,840

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	52,653.24	41.35%	208,490,515	48.80%	3,959.69
46. 1A	17,693.98	13.90%	60,778,865	14.22%	3,435.00
47. 2A1	12,838.72	10.08%	43,418,155	10.16%	3,381.81
48. 2A	12,532.82	9.84%	39,400,915	9.22%	3,143.82
49. 3A1	13,371.19	10.50%	38,086,495	8.91%	2,848.40
50. 3A	5,768.57	4.53%	15,608,600	3.65%	2,705.80
51. 4A1	9,530.43	7.48%	16,516,720	3.87%	1,733.05
52. 4A	2,946.43	2.31%	4,967,945	1.16%	1,686.09
53. Total	127,335.38	100.00%	427,268,210	100.00%	3,355.46
Dry					
54. 1D1	35,680.07	22.94%	125,415,520	29.17%	3,515.00
55. 1D	21,547.60	13.85%	70,783,750	16.46%	3,284.99
56. 2D1	19,157.06	12.32%	61,685,745	14.35%	3,220.00
57. 2D	4,439.68	2.85%	13,510,205	3.14%	3,043.06
58. 3D1	15,208.11	9.78%	42,962,780	9.99%	2,824.99
59. 3D	16,246.54	10.45%	43,773,780	10.18%	2,694.34
60. 4D1	36,528.79	23.49%	61,185,475	14.23%	1,674.99
61. 4D	6,721.58	4.32%	10,687,380	2.49%	1,590.01
62. Total	155,529.43	100.00%	430,004,635	100.00%	2,764.78
Grass					
63. 1G1	1,197.16	2.33%	1,719,870	2.33%	1,436.63
64. 1G	2,971.05	5.77%	4,728,085	6.40%	1,591.39
65. 2G1	4,060.27	7.89%	6,829,480	9.25%	1,682.03
66. 2G	1,113.15	2.16%	1,625,155	2.20%	1,459.96
67. 3G1	3,236.34	6.29%	5,061,825	6.85%	1,564.06
68. 3G	7,731.55	15.03%	11,822,115	16.01%	1,529.07
69. 4G1	15,427.32	29.99%	21,348,420	28.91%	1,383.81
70. 4G	15,710.88	30.54%	20,721,285	28.06%	1,318.91
71. Total	51,447.72	100.00%	73,856,235	100.00%	1,435.56
Irrigated Total					
	127,335.38	35.98%	427,268,210	45.03%	3,355.46
Dry Total					
	155,529.43	43.95%	430,004,635	45.32%	2,764.78
Grass Total					
	51,447.72	14.54%	73,856,235	7.78%	1,435.56
72. Waste	973.10	0.27%	291,910	0.03%	299.98
73. Other	18,587.63	5.25%	17,472,370	1.84%	940.00
74. Exempt	3,416.29	0.97%	0	0.00%	0.00
75. Market Area Total	353,873.26	100.00%	948,893,360	100.00%	2,681.45

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	81.04	267,550	0.00	0	127,254.34	427,000,660	127,335.38	427,268,210
77. Dry Land	373.74	1,170,550	18.74	65,280	155,136.95	428,768,805	155,529.43	430,004,635
78. Grass	47.92	63,135	9.38	19,050	51,390.42	73,774,050	51,447.72	73,856,235
79. Waste	1.41	425	0.00	0	971.69	291,485	973.10	291,910
80. Other	24.82	24,820	0.00	0	18,562.81	17,447,550	18,587.63	17,472,370
81. Exempt	6.55	0	55.14	0	3,354.60	0	3,416.29	0
82. Total	528.93	1,526,480	28.12	84,330	353,316.21	947,282,550	353,873.26	948,893,360

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	127,335.38	35.98%	427,268,210	45.03%	3,355.46
Dry Land	155,529.43	43.95%	430,004,635	45.32%	2,764.78
Grass	51,447.72	14.54%	73,856,235	7.78%	1,435.56
Waste	973.10	0.27%	291,910	0.03%	299.98
Other	18,587.63	5.25%	17,472,370	1.84%	940.00
Exempt	3,416.29	0.97%	0	0.00%	0.00
Total	353,873.26	100.00%	948,893,360	100.00%	2,681.45

2012 County Abstract of Assessment for Real Property, Form 45 Compared with the 2011 Certificate of Taxes Levied (CTL)

12 Butler

	2011 CTL County Total	2012 Form 45 County Total	Value Difference (2012 form 45 - 2011 CTL)	Percent Change	2012 Growth (New Construction Value)	Percent Change excl. Growth
01. Residential	207,839,000	214,370,855	6,531,855	3.14%	4,620,504	0.92%
02. Recreational	10,326,315	12,253,315	1,927,000	18.66%	169,645	17.02%
03. Ag-Homesite Land, Ag-Res Dwelling	60,768,290	65,688,235	4,919,945	8.10%	4,665,965	0.42%
04. Total Residential (sum lines 1-3)	278,933,605	292,312,405	13,378,800	4.80%	9,456,114	1.41%
05. Commercial	56,643,670	63,298,770	6,655,100	11.75%	2,413,375	7.49%
06. Industrial	18,980,735	19,515,390	534,655	2.82%	541,450	-0.04%
07. Ag-Farmsite Land, Outbuildings	40,193,230	42,751,270	2,558,040	6.36%	0	6.36%
08. Minerals	0	0	0		0	
09. Total Commercial (sum lines 5-8)	115,817,635	125,565,430	9,747,795	8.42%	2,954,825	5.87%
10. Total Non-Agland Real Property	394,751,240	417,877,835	23,126,595	5.86%	12,410,939	2.71%
11. Irrigated	378,589,570	427,268,210	48,678,640	12.86%		
12. Dryland	385,021,785	430,004,635	44,982,850	11.68%		
13. Grassland	65,435,075	73,856,235	8,421,160	12.87%		
14. Wasteland	245,320	291,910	46,590	18.99%		
15. Other Agland	398,395	17,472,370	17,073,975	4,285.69%		
16. Total Agricultural Land	829,690,145	948,893,360	119,203,215	14.37%		
17. Total Value of all Real Property (Locally Assessed)	1,224,441,385	1,366,771,195	142,329,810	11.62%	12,410,939	10.61%

**BUTLER COUNTY
3-YEAR PLAN OF ASSESSMENT
2011**

Plan of Assessment Requirements:

Pursuant to Neb.Laws 2005, LB 263, Section 9, on or before June 15 each year, the assessor shall prepare a plan of assessment, which describes the assessment actions planned for the next assessment year and two years thereafter. The plan shall indicate classes, or subclasses of real property that the county assessor plans to examine during the years contained in the plan of assessment. The plan shall describe all the assessment actions necessary to achieve the level of value and quality of assessment practices required by law, and the resources necessary to complete those actions. On or before July 31 each year, the assessor shall present the plan to the county board of equalization and the assessor may amend the plan, if necessary, after the budget is approved by the county board. A copy of the plan and any amendments thereto shall be mailed to the Department of Property Assessment and Taxation 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 VIII, or is permitted by the constitution and enabling legislation adopted by the legislature. The uniform standard for the assessed value of real property for tax purposes is actual value, which is defined by law as "the market value of real property in the ordinary course of trade." Neb. Rev. Stat. 77-112 (Reissue 2003).

The acceptable ratio range for the median of the "Assessment-Sales Ratio" is from 69% to 75% of actual or fair market value for the class or subclasses of agricultural land and horticultural land not receiving special valuation and 69% to 75% of recapture valuation for the class and subclasses of agricultural land and horticultural land receiving special valuation pursuant to Neb. Rev. Stat. 77-1344; and 92% to 100% of actual or fair market value for all other classes and subclasses of real property. Neb. Rev. Stat. 77-5023(2) (Cum. Supp. 2006).

GENERAL DESCRIPTION OF REAL PROPERTY IN BUTLER COUNTY

Per the 2011 County Abstract, Butler County consists of the following real property types:

	Parcels	% of Total Parcels	% of Taxable Value
Residential	3133	37.31	16.94
Commercial	446	5.31	4.61
Industrial	4	.01	1.56
Agricultural	3826	45.56	76.01
Recreational	281	3.36	.85
Special Value	0	-----	-----
Tax Increment Financing	9	.11	.03
Exempt	700	8.34	-----
Total	8399	100.00	100.00

Agricultural land –	Taxable Acres	Total Value
Irrigated Acres	126,139.22	378,350,505
Dry Acres	163,202.68	385,309,060
Grass Acres	44,960.53	50,112,520
Waste Acres	980.14	245,335
Other Acres	18,590.92	15,696,325
Exempt Acres	3,415.37	-----
Total Acres	357,288.86	829,713,745

For more information see 2011 Reports & Opinions, Abstract and Assessor Survey.

ASSESSMENT PLAN/PROCEDURES MANUAL

The Department of Property Assessment and Taxation Regulations and Directives are followed in the assessor's office. An informal manual of office and assessment procedures is also on file. A formal annual assessment plan includes a 4 to 5 year cycle of reappraisal and inspection, which has been a part of the county's plan of the assessment. Properties are typically reviewed in four townships and four towns annually.

Procedures have been established in the office and are updated as needed.

RECORD MAINTENCE/RESPONSIBILITES

A property record card is on file for every parcel of real property including improvements on leased land. The record cards contain current ownership, address, legal description, situs address, book and page numbers of the last deed recorded and any changes of record of ownership. A unique number is assigned to each property record card along with tax district codes and other codes created relevant to the specific parcel.

The assessment records are kept and updated in the computerized administration system. Terra Scan and a hard copy format with updates made in the form of inserts. The owner/valuations history is kept on the face of the hard copy updated to reflect all changes made.

The office maintains a cadastral map system. The Mylar cadastral maps were done in 1964. They have been revised with name change, legal description and new subdivisions. March 2001 we began implementing a GIS program for updating our current cadastral maps as well as other reports required by our office. January 2004 cadastral maps and updates to them are on GIS only.

HOMESTEAD EXEMPTIONS

Homestead Exemptions applications are accepted in the office from February 1 to June 30. Notice to file is published in the local newspaper March, April, May and June. Pre-printed forms are mailed to the applicants that filed for the Homestead Exemption the prior year. The applicant is verified for owner/occupant. Signed applications, income statements, U.S. Citizenship Attestation and doctor's certification of disability (where appropriate) are forwarded to the Nebraska Department of Revenue on or before August

1. The Nebraska Department of Revenue returns a roster in October of approved (with a percentage) and disapproved for final processing.

PERMISSIVE EXEMPTIONS

The assessor and staff administer annual filings of applications for new or continued exempt use properties. The properties are reviewed and recommendations are made to the County Board.

REPORT GENERATION

The major reports required by the Assessor and the dates due are:

County Abstract of assessment for Real Property – March 19
Certify completion of real property assessment roll & publish in newspaper-June 1
Send notice of valuation change to the owner of record (as of May 20) of any property whose value has increased or decreased-June, 1
County Abstract of Assessment for Personal Property – June 15
Prepare the plan of assessment for the next 3 assessment years-June 15
File 3-year plan of Assessment with the County Board of Equalization – July 31
Review the ownership and use of all cemetery real property and report such review to the County Board-August 1
Certification of Values to Political Subdivisions – August 20
School District Taxable Value Report – August 25
Deliver Tax Rolls to Treasurer – November 22
Certificate of Taxes Levied – December 1

PERSONAL PROPERTY

All depreciable tangible personal property which is used in a trade or business for the production of income, and which has a determinable life of longer than one year must be filed on or before May 1. Late filings after May 1, but before August 1, a 10 percent penalty is applied. After August 1, a 25 percent penalty is applied to the taxes due. Notice to file is published in the local newspaper February, March and April. In February a notice to file letter is mailed to each individual who previously filed.

SALES REVIEW/VERIFICATION

The assessor and office staff attempts to obtain 100% coverage of each sale, which contains a doc. stamp, beginning with the buyer, seller and then the broker. Questionnaires are mailed on each of these sales. Questionnaires consist of information about the sale and also about the property. Coding and the computerized sale file track the mailings. A drive by is done on 75-80% of the parcels sold and an on site inspection 25% of the time.

EDUCATION

No person shall be eligible to file, assume, or be appointed to, or hold the office of county assessor, serve as a deputy assessor, or hold the position of state assessment manager unless he or she holds a County Assessor Certificate issued by the Property Tax Administrator or State Tax Commissioner. In order to obtain a County Assessor Certificate, each person must successfully complete an examination given by the Property Tax Administrator. In order to retain certification, all certificate holders must obtain 60 hours of approved continuing education to be eligible to receive approval by the Property Tax Administrator for re-certification. Credit hours are obtained by the completion of approved courses that are recommended by the Nebraska Assessment Education and Certification Advisory Board and approved by the Property Tax Administrator. Courses are available throughout the year and are attended by the Assessor and Deputy Assessor to gain greater professionalism in their duties by offering a means of state certification.

REAL PROPERTY

An on site review of all properties are on a rotation plan. The assessor and or office staff reviews approximately four towns and four townships annually with a continuing of a rotation throughout the county. A conducted market study of all properties is done annually throughout the county to maintain ratios and statistics mandated by the Tax Equalization and Review Commission.

The Rotation review for 2012:

Residential – Rising City, Ulysses, Brainard & Dwight

Commercial – Rising City, Ulysses, Brainard, Dwight and any commercial within the townships for 2012 rotational review.

Agricultural Land and Improvements – Bone Creek, Linwood, Platte Townships

**All reviews will include new digital photos for the property record cards.

The Rotation review for 2013:

Residential – Bruno, Abie & Linwood

Commercial – Bruno, Abie, Linwood and any commercial within the townships for the 2013 rotational review.

Agricultural Land and Improvements – Savannah & Alexis Townships (including all lake properties in Alexis Township.

*All reviews will include new digital photos for the property record cards.

The Rotation review for 2014:

Residential – Octavia, Bellwood, Garrison & Surprise

Commercial – Bellwood, Garrison, Surprise and any commercial within the townships for 2014 rotational review.

Agricultural Land and Improvements – Read, Ulysses, Reading & Union Townships

*All reviews will include new digital photos for the property record cards.

2011 aerial oblique's were flow and are now in our office. Each oblique will be printed and place in the property record cards, they will also be reviewed for any changes to the properties. If properties need to be reviewed, they will be place on the pickup list, to be reviewed this fall. These aerials will also be added to our CAMA package so that they will be available directly on our property record cards.

The assessor and office staff maintains the computer GIS cadastral maps and completes the appraisal.

A paper copy of the cadastral maps will be generated for rural townships in Butler County. This consists of setting up the GIS information and printing each section on a 12x12 cardstock paper and filed in a hardbound book. This process will be done, as time is available, until completed.

The office utilizes the Terra Scan administrative and CAMA system using the Marshall Swift cost. All data collected in all classifications of property have been entered in CAMA. A sketch of each house is entered into CAMA and was completed in 2001. Digital photos for each property have been entered into the system. 1992 and 1998 aerial photos are also a part of the property record card. 2003 colored aerials have been copied into the GIS and are being used to determine land use. 2005 digital oblique have been added to GIS and copied to the Terra Scan property record information.

A Butler County Assessor web site has been on line since June 2004. Website includes property record card information, digital photo, sketch, GIS map; June 2005 Digital obliques were also added to the website. Website address is butler.gisworkshop.com.

The cost approach is used in setting the values. An income approach is only used occasionally for commercial to substantiate the cost approach. A discount cash flow valuation method is used to value undeveloped subdivisions.

The real estate transfer statements, form 521, are processed on a continual basis.

The Department of Property Assessment and Taxation has prepared the progress report for Butler County and is on file in the assessor's office and serves as additional information for this report. The 2010 Butler County statistical measures are on file in the annual report and kept on file in the Assessor's Office.

Respectfully submitted:

Signature: _____

Vickie Donoghue
Butler County Assessor
June 12, 2011

Vickie Donoghue 7-5-11

2012 Assessment Survey for Butler County

A. Staffing and Funding Information

1.	Deputy(ies) on staff:
	1
2.	Appraiser(s) on staff:
	0
3.	Other full-time employees:
	2
4.	Other part-time employees:
	1
5.	Number of shared employees:
	0
6.	Assessor's requested budget for current fiscal year:
	\$224,511 This includes benefits; health insurance, Social Security and retirement.
7.	Adopted budget, or granted budget if different from above:
	\$224,511
8.	Amount of the total budget set aside for appraisal work:
	0
9.	Appraisal/Reappraisal budget, if not part of the total budget:
	\$22,000
10.	Part of the budget that is dedicated to the computer system:
	\$21,022 This comes from county data processing, not the assessor's budget.
11.	Amount of the total budget set aside for education/workshops:
	\$1,200
12.	Other miscellaneous funds:
	0
13.	Amount of last year's budget not used:
	Yes, but the amount was minimal.

B. Computer, Automation Information and GIS

1.	Administrative software:
	TerraScan
2.	CAMA software:
	TerraScan
3.	Are cadastral maps currently being used?
	Cadastral maps are available, but are not updated.
4.	If so, who maintains the Cadastral Maps?
	They are not being maintained; Since 2004, the cadastral maps have been created and updated in the GIS system.
5.	Does the county have GIS software?
	Yes
6.	Who maintains the GIS software and maps?
	Assessor and Staff
7.	Personal Property software:
	TerraScan

C. Zoning Information

1.	Does the county have zoning?
	Yes
2.	If so, is the zoning countywide?
	No
3.	What municipalities in the county are zoned?
	Bellwood, Brainard, David City, Octavia, Ulysses
4.	When was zoning implemented?
	Zoning was implemented in 1985 for David City, Octavia was added in 2005, and the other three are not known.

D. Contracted Services

1.	Appraisal Services:
	Large Commercial properties are occasionally contracted out.
2.	Other services:
	The administrative, appraisal, programming, and support functions are contracted through TerraScan. GIS programming, programming support and instruction are provided through GIS workshop.

2012 Certification for Butler County

This is to certify that the 2012 Reports and Opinions of the Property Tax Administrator have been sent to the following:

One copy by electronic transmission to the Tax Equalization and Review Commission.

One copy by electronic transmission to the Butler County Assessor.

Dated this 9th day of April, 2012.



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

Ruth A. Sorensen
Property Tax Administrator

