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2012 Commission Summary for Kearney County

Residential Real Property - Current

Number of Sales	132	Median	93.28
Total Sales Price	\$13,543,656	Mean	94.42
Total Adj. Sales Price	\$13,543,656	Wgt. Mean	91.23
Total Assessed Value	\$12,356,360	Average Assessed Value of the Base	\$83,678
Avg. Adj. Sales Price	\$102,603	Avg. Assessed Value	\$93,609

Confidence Interval - Current

95% Median C.I	91.56 to 95.83
95% Wgt. Mean C.I	88.45 to 94.02
95% Mean C.I	91.05 to 97.79
% of Value of the Class of all Real Property Value in the	21.76
% of Records Sold in the Study Period	4.93
% of Value Sold in the Study Period	5.51

Residential Real Property - History

Year	Number of Sales	LOV	Median
2011	140	93	93
2010	152	96	96
2009	186	98	98
2008	212	99	99

2012 Commission Summary for Kearney County

Commercial Real Property - Current

Number of Sales	18	Median	97.97
Total Sales Price	\$1,401,975	Mean	98.51
Total Adj. Sales Price	\$1,401,975	Wgt. Mean	102.10
Total Assessed Value	\$1,431,440	Average Assessed Value of the Base	\$209,968
Avg. Adj. Sales Price	\$77,888	Avg. Assessed Value	\$79,524

Confidence Interval - Current

95% Median C.I	75.10 to 105.90
95% Wgt. Mean C.I	77.91 to 126.29
95% Mean C.I	81.73 to 115.29
% of Value of the Class of all Real Property Value in the County	7.33
% of Records Sold in the Study Period	5.00
% of Value Sold in the Study Period	1.89

Commercial Real Property - History

Year	Number of Sales	LOV	Median
2011	20		98
2010	23	97	97
2009	18	100	99
2008	22	97	97

2012 Opinions of the Property Tax Administrator for Kearney 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	72	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

Ruth A. Sorensen
Property Tax Administrator

2012 Residential Assessment Actions for Kearney County

All residential sales were reviewed and a spreadsheet analysis of all usable sales within the study period was completed, analyzing existing and potential market areas and neighborhoods.

Values were adjusted to reflect the market, after a market study was completed for each valuation grouping.

All residential sites were analyzed and adjusted to reflect the market. Depreciation tables were also adjusted accordingly.

Pickup work was completed by contract appraiser Ron Elliott on March 6, 2012.

Residential record cards have been redesigned and are currently being worked on for use in 2013. The picture is on the front and the sketch on the back.

2012 Residential Assessment Survey for Kearney County

1.	Valuation data collection done by:	
	Contract Appraiser	
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>
	1	Minden - Largest community, school, good economic district
	2	Axtell - Small community, on the highway, school, some commercial, bedroom community for Kearney
	3	Brandts - Kearney subdivision across river, newer nice homes, lakefront property
	4	El Charman - Lake subdivision, on gravel road, 8+ miles from Kearney
	5	Heartwell - Small, no school, no grocery, post office, elevator
	6	Lowell - Extremely small, no school, on highway and close to highway intersection, no post office
	7	McConnells - Kearney subdivision across river, not on lake, farther from Kearney
	8	Norman - Extremely small, no school, on highway, no grocery, long way from Kearney, closer to Hastings
	9	Summerhaven - Lake subdivision, most are IOLL, some in process of buying lots, close to Kearney, lakefront property
	10	Wilcox - Smaller community, school, southern part of county, on highway, post office
	15	Rural 1 - All rural residences not in an identified subdivision
3.	List and describe the approach(es) used to estimate the market value of residential properties.	
	Sales comparison and cost and income if available.	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	June 2007	
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?	
	The county develops their own based on local market information	
6.	Are individual depreciation tables developed for each valuation grouping?	
	Yes	
7.	When were the depreciation tables last updated for each valuation grouping?	
	2012 Annually the tables are reviewed and updated when indicated by the market	
8.	When was the last lot value study completed for each valuation grouping?	
	2012	
9.	Describe the methodology used to determine the residential lot values?	

	Sales comparison approach, analyzed lots by square foot, front foot and per acre
10.	How do you determine whether a sold parcel is substantially changed?
	Each sale is evaluated based on its own merit to determine if it has substantially changed, additions, buildings removed would be examples of a substantial change

**50 Kearney
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 : 132
 Total Sales Price : 13,543,656
 Total Adj. Sales Price : 13,543,656
 Total Assessed Value : 12,356,360
 Avg. Adj. Sales Price : 102,603
 Avg. Assessed Value : 93,609

MEDIAN : 93
 WGT. MEAN : 91
 MEAN : 94
 COD : 14.78
 PRD : 103.50

COV : 20.91
 STD : 19.74
 Avg. Abs. Dev : 13.79
 MAX Sales Ratio : 181.08
 MIN Sales Ratio : 60.82

95% Median C.I. : 91.56 to 95.83
 95% Wgt. Mean C.I. : 88.45 to 94.02
 95% Mean C.I. : 91.05 to 97.79

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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>Qrtrs</u>											
01-JUL-09 To 30-SEP-09	17	91.32	92.13	91.37	17.13	100.83	60.82	131.99	73.90 to 109.11	116,024	106,016
01-OCT-09 To 31-DEC-09	12	95.84	99.35	93.08	15.18	106.74	66.13	161.47	84.49 to 101.68	80,075	74,532
01-JAN-10 To 31-MAR-10	18	93.23	96.53	94.01	11.40	102.68	70.14	128.25	92.33 to 104.47	101,406	95,335
01-APR-10 To 30-JUN-10	23	91.04	89.08	86.92	13.76	102.49	61.68	122.20	78.75 to 99.33	114,761	99,750
01-JUL-10 To 30-SEP-10	10	90.55	99.39	92.39	28.65	107.58	69.07	181.08	69.52 to 131.86	99,900	92,303
01-OCT-10 To 31-DEC-10	14	95.64	96.69	91.04	14.97	106.21	73.00	136.80	78.33 to 110.31	92,417	84,133
01-JAN-11 To 31-MAR-11	13	92.86	90.89	92.26	10.41	98.52	64.01	104.65	82.91 to 100.76	114,904	106,012
01-APR-11 To 30-JUN-11	25	94.12	95.59	92.01	12.57	103.89	64.01	171.73	90.24 to 99.86	94,359	86,815
<u>Study Yrs</u>											
01-JUL-09 To 30-JUN-10	70	92.84	93.50	90.66	14.33	103.13	60.82	161.47	89.72 to 96.12	105,687	95,813
01-JUL-10 To 30-JUN-11	62	94.79	95.46	91.93	15.06	103.84	64.01	181.08	89.52 to 100.18	99,122	91,120
<u>Calendar Yrs</u>											
01-JAN-10 To 31-DEC-10	65	93.14	94.37	90.43	15.65	104.36	61.68	181.08	89.67 to 97.95	103,964	94,018
<u>ALL</u>	132	93.28	94.42	91.23	14.78	103.50	60.82	181.08	91.56 to 95.83	102,603	93,609

VALUATION GROUPING										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
01	72	92.84	93.68	90.50	15.18	103.51	61.42	171.73	88.59 to 95.72	91,413	82,730
02	24	93.68	91.25	88.33	11.88	103.31	60.82	121.92	81.71 to 101.91	86,063	76,021
03	5	92.44	94.35	94.21	07.48	100.15	80.24	103.51	N/A	247,620	233,283
04	3	102.52	102.12	102.45	01.62	99.68	99.43	104.42	N/A	181,967	186,423
09	5	91.56	92.59	90.74	11.02	102.04	78.56	116.81	N/A	102,300	92,822
10	8	98.91	108.64	97.58	22.87	111.33	66.13	181.08	66.13 to 181.08	75,313	73,487
15	15	92.86	94.58	89.95	17.01	105.15	62.82	131.99	77.93 to 108.99	133,227	119,840
<u>ALL</u>	132	93.28	94.42	91.23	14.78	103.50	60.82	181.08	91.56 to 95.83	102,603	93,609

PROPERTY TYPE *										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
01	132	93.28	94.42	91.23	14.78	103.50	60.82	181.08	91.56 to 95.83	102,603	93,609
06											
07											
<u>ALL</u>	132	93.28	94.42	91.23	14.78	103.50	60.82	181.08	91.56 to 95.83	102,603	93,609

**50 Kearney
RESIDENTIAL**

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 95% Wgt. Mean C.I. : 88.45 to 94.02
 95% Mean C.I. : 91.05 to 97.79

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SALE PRICE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
<u>Low \$ Ranges</u>												
Less Than 5,000												
Less Than 15,000	3	171.73	151.70	145.54	15.29	104.23	102.29	181.08	N/A	9,833	14,312	
Less Than 30,000	11	122.83	123.66	118.77	18.31	104.12	81.06	181.08	94.03 to 171.73	18,839	22,375	
<u>Ranges Excl. Low \$</u>												
Greater Than 4,999	132	93.28	94.42	91.23	14.78	103.50	60.82	181.08	91.56 to 95.83	102,603	93,609	
Greater Than 14,999	129	93.14	93.09	91.12	13.69	102.16	60.82	161.47	91.04 to 95.72	104,761	95,453	
Greater Than 29,999	121	92.81	91.76	90.81	12.99	101.05	60.82	161.47	90.24 to 95.45	110,218	100,085	
<u>Incremental Ranges</u>												
0 TO 4,999												
5,000 TO 14,999	3	171.73	151.70	145.54	15.29	104.23	102.29	181.08	N/A	9,833	14,312	
15,000 TO 29,999	8	122.38	113.15	114.33	12.22	98.97	81.06	136.80	81.06 to 136.80	22,216	25,399	
30,000 TO 59,999	20	93.69	94.71	93.52	14.46	101.27	69.07	161.47	83.57 to 100.59	45,097	42,176	
60,000 TO 99,999	44	94.19	93.60	93.73	13.29	99.86	60.82	131.99	91.32 to 100.76	79,773	74,774	
100,000 TO 149,999	33	90.24	89.21	89.31	11.88	99.89	62.82	112.49	82.91 to 96.55	120,645	107,747	
150,000 TO 249,999	20	87.04	89.00	88.62	12.59	100.43	61.68	113.72	80.02 to 100.32	188,715	167,246	
250,000 TO 499,999	4	96.16	91.69	92.06	10.50	99.60	71.04	103.40	N/A	292,225	269,028	
500,000 TO 999,999												
1,000,000 +												
<u>ALL</u>	132	93.28	94.42	91.23	14.78	103.50	60.82	181.08	91.56 to 95.83	102,603	93,609	

2012 Correlation Section for Kearney County

A. Residential Real Property

Kearney County is located in south central Nebraska, just south of the city of Kearney. The largest town and county seat is Minden. The county has two high schools; one in Minden and one consolidated high school, Wilcox-Hildreth. The proximity to the city of Kearney along the northern border of the county results in residential growth.

The statistical sampling of 132 qualified residential sales will be considered an adequate and reliable sample for the measurement of the residential class of real property in Kearney County. The measures of central tendency offer support for each other and all fall within, or close to within, the acceptable range. The calculated median is 93%. All but one valuation grouping, representing El Charman Lake, are within or round to within the acceptable range; a reliable statistical inference would be difficult with only three sales in this valuation grouping. The quality statistics are within or close to within the acceptable range.

Kearney County is diligent in their sales verification. Questionnaires are mailed to both the buyer and seller of the property. The questionnaire asks for details to assist the assessor in discovering the terms of the sale. The document asks whether any personal property was involved in the sale, how the property was listed for sale, whether any part of the property will be used for a non-residential purpose, if there was any prior association between the buyer and the seller and if there was any special consideration involved in the sale. Telephone contact is made to the buyer or seller if there are additional questions concerning the sale. Physical on-site reviews are also performed on the sales by the Assessor or the contract appraiser. Additionally, sales in the study period are monitored for any changes that may take place after the purchase.

Kearney County employs a six-year inspection cycle for reviewing the property in their county. Their review includes physically inspecting, measuring, photographing and updating their records. Kearney County is committed to moving forward technologically. They have a website with online parcel search, transfer sales electronically, complete spreadsheet analyses and utilize their GIS system.

The Department of Revenue, Property Assessment Division has implemented a cyclical analysis of one-third of the counties within the state per year to systematically review assessment practices. Kearney County was one of those selected for review in 2011 and it has been confirmed that the assessment actions are reliable and are being applied consistently. Therefore, it is believed there is uniform and proportionate treatment within the residential class of property.

Based on the consideration of all available information, the level of value is determined to be 93% of market value for the residential class of real property. Because the known assessment practices are reliable and consistent it is believed that the residential class of property is being treated in the most uniform and proportionate manner possible.

**2012 Correlation Section
for Kearney 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 Kearney 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 Kearney 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 Kearney 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 Kearney County

All commercial sales, as well as existing and potential neighborhoods were analyzed.

Market studies were conducted on each town as well as rural commercial properties in the county.

The representativeness of commercial properties in the small villages as well as the rural areas continues to be a problem with the small number of sales within the county.

No adjustments in value were made for 2012.

All commercial pickup work was completed by contract appraiser Ron Elliott on March 6, 2012.

2012 Commercial Assessment Survey for Kearney County

1.	Valuation data collection done by:	
	Contract Appraiser	
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>
	1	Minden - Largest community, school, good economic district
	2	Axtell - Small community, on the highway, school, some commercial, bedroom community for Kearney
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	4	El Charman - Lake subdivision, on gravel road, 8+ miles from Kearney
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	8	Norman - Extremely small, no school, on highway, no grocery, long way from Kearney, closer to Hastings
	9	Summerhaven - Lake subdivision, most are IOLL, some in process of buying lots, close to Kearney, lakefront property
	10	Wilcox - Smaller community, school, southern part of county, on highway, post office
	15	Rural 1 - All rural residences not in an identified subdivision
3.	List and describe the approach(es) used to estimate the market value of commercial properties.	
	Sales comparison, cost and income	
3a.	Describe the process used to value unique commercial properties.	
	Kearney County employs a contract appraiser who is used to value unique commercial properties	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	April 2007	
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?	
	The county develops their own depreciation tables based on local market information	
6.	Are individual depreciation tables developed for each valuation grouping?	
	Yes	
7.	When were the depreciation tables last updated for each valuation grouping?	

	2012 Annually the tables are reviewed and updated when indicated by the market
8.	When was the last lot value study completed for each valuation grouping?
	2012
9.	Describe the methodology used to determine the commercial lot values.
	Sales comparison approach, the county analyzed lots by square foot, front foot and per acre
10.	How do you determine whether a sold parcel is substantially changed?
	Each sale is evaluated based on its own merit to determine if it has substantially changed; additions, complete remodeling would be examples of a substantial change

**50 Kearney
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 : 18
 Total Sales Price : 1,401,975
 Total Adj. Sales Price : 1,401,975
 Total Assessed Value : 1,431,440
 Avg. Adj. Sales Price : 77,888
 Avg. Assessed Value : 79,524

MEDIAN : 98
 WGT. MEAN : 102
 MEAN : 99
 COD : 24.49
 PRD : 96.48

COV : 34.26
 STD : 33.75
 Avg. Abs. Dev : 23.99
 MAX Sales Ratio : 166.04
 MIN Sales Ratio : 33.90

95% Median C.I. : 75.10 to 105.90
 95% Wgt. Mean C.I. : 77.91 to 126.29
 95% Mean C.I. : 81.73 to 115.29

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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	2	122.99	122.99	96.22	22.29	127.82	95.57	150.40	N/A	53,125	51,115
01-OCT-08 To 31-DEC-08											
01-JAN-09 To 31-MAR-09	2	74.23	74.23	88.14	20.38	84.22	59.10	89.35	N/A	187,500	165,270
01-APR-09 To 30-JUN-09											
01-JUL-09 To 30-SEP-09	3	102.95	113.82	126.54	12.83	89.95	99.43	139.07	N/A	174,458	220,752
01-OCT-09 To 31-DEC-09	2	98.65	98.65	99.53	03.74	99.12	94.96	102.33	N/A	35,500	35,333
01-JAN-10 To 31-MAR-10											
01-APR-10 To 30-JUN-10	2	85.80	85.80	85.53	12.47	100.32	75.10	96.50	N/A	19,500	16,678
01-JUL-10 To 30-SEP-10											
01-OCT-10 To 31-DEC-10	2	133.47	133.47	148.67	24.40	89.78	100.90	166.04	N/A	37,500	55,750
01-JAN-11 To 31-MAR-11	5	70.44	80.28	56.93	43.07	141.02	33.90	135.43	N/A	42,470	24,179
01-APR-11 To 30-JUN-11											
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09	4	92.46	98.61	89.93	26.37	109.65	59.10	150.40	N/A	120,313	108,193
01-JUL-09 To 30-JUN-10	7	99.43	101.48	120.98	11.17	83.88	75.10	139.07	75.10 to 139.07	90,482	109,468
01-JUL-10 To 30-JUN-11	7	100.90	95.48	80.88	35.01	118.05	33.90	166.04	33.90 to 166.04	41,050	33,199
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09	7	99.43	98.17	109.71	14.50	89.48	59.10	139.07	59.10 to 139.07	138,482	151,923
01-JAN-10 To 31-DEC-10	4	98.70	109.64	127.07	24.15	86.28	75.10	166.04	N/A	28,500	36,214
<u>ALL</u>	18	97.97	98.51	102.10	24.49	96.48	33.90	166.04	75.10 to 105.90	77,888	79,524

VALUATION GROUPING

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
01	11	95.57	95.97	96.61	23.73	99.34	55.72	166.04	59.10 to 135.43	48,361	46,724
02	4	104.12	113.78	102.40	13.80	111.11	96.50	150.40	N/A	20,000	20,480
15	3	89.35	87.44	105.77	39.24	82.67	33.90	139.07	N/A	263,333	278,518
<u>ALL</u>	18	97.97	98.51	102.10	24.49	96.48	33.90	166.04	75.10 to 105.90	77,888	79,524

PROPERTY TYPE *

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
02											
03	18	97.97	98.51	102.10	24.49	96.48	33.90	166.04	75.10 to 105.90	77,888	79,524
04											
<u>ALL</u>	18	97.97	98.51	102.10	24.49	96.48	33.90	166.04	75.10 to 105.90	77,888	79,524

**50 Kearney
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 : 18
Total Sales Price : 1,401,975
Total Adj. Sales Price : 1,401,975
Total Assessed Value : 1,431,440
Avg. Adj. Sales Price : 77,888
Avg. Assessed Value : 79,524

MEDIAN : 98
WGT. MEAN : 102
MEAN : 99
COD : 24.49
PRD : 96.48

COV : 34.26
STD : 33.75
Avg. Abs. Dev : 23.99
MAX Sales Ratio : 166.04
MIN Sales Ratio : 33.90

95% Median C.I. : 75.10 to 105.90
95% Wgt. Mean C.I. : 77.91 to 126.29
95% Mean C.I. : 81.73 to 115.29

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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	1	150.40	150.40	150.40	00.00	100.00	150.40	150.40	N/A	1,250	1,880	
Less Than 15,000	2	142.92	142.92	137.43	05.24	103.99	135.43	150.40	N/A	4,675	6,425	
Less Than 30,000	8	98.70	102.29	93.24	21.14	109.71	59.10	150.40	59.10 to 150.40	15,763	14,696	
<u>Ranges Excl. Low \$</u>												
Greater Than 4,999	17	96.50	95.45	102.06	23.04	93.52	33.90	166.04	70.44 to 105.90	82,396	84,092	
Greater Than 14,999	16	96.04	92.95	101.86	22.06	91.25	33.90	166.04	70.44 to 102.95	87,039	88,662	
Greater Than 29,999	10	97.50	95.48	102.98	27.16	92.72	33.90	166.04	55.72 to 139.07	127,588	131,387	
<u>Incremental Ranges</u>												
0 TO 4,999	1	150.40	150.40	150.40	00.00	100.00	150.40	150.40	N/A	1,250	1,880	
5,000 TO 14,999	1	135.43	135.43	135.43	00.00	100.00	135.43	135.43	N/A	8,100	10,970	
15,000 TO 29,999	6	95.73	88.74	89.70	12.91	98.93	59.10	105.90	59.10 to 105.90	19,458	17,453	
30,000 TO 59,999	3	102.33	112.94	118.88	31.14	95.00	70.44	166.04	N/A	45,833	54,488	
60,000 TO 99,999	4	77.58	73.00	74.72	36.34	97.70	33.90	102.95	N/A	80,844	60,405	
100,000 TO 149,999	1	95.57	95.57	95.57	00.00	100.00	95.57	95.57	N/A	105,000	100,350	
150,000 TO 249,999												
250,000 TO 499,999	2	114.21	114.21	113.86	21.77	100.31	89.35	139.07	N/A	355,000	404,218	
500,000 TO 999,999												
1,000,000 +												
<u>ALL</u>	18	97.97	98.51	102.10	24.49	96.48	33.90	166.04	75.10 to 105.90	77,888	79,524	

**50 Kearney
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 : 18
 Total Sales Price : 1,401,975
 Total Adj. Sales Price : 1,401,975
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 Avg. Adj. Sales Price : 77,888
 Avg. Assessed Value : 79,524

MEDIAN : 98
 WGT. MEAN : 102
 MEAN : 99
 COD : 24.49
 PRD : 96.48

COV : 34.26
 STD : 33.75
 Avg. Abs. Dev : 23.99
 MAX Sales Ratio : 166.04
 MIN Sales Ratio : 33.90

95% Median C.I. : 75.10 to 105.90
 95% Wgt. Mean C.I. : 77.91 to 126.29
 95% Mean C.I. : 81.73 to 115.29

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OCCUPANCY CODE

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
325	2	87.27	87.27	94.80	13.95	92.06	75.10	99.43	N/A	52,500	49,768
341	1	95.57	95.57	95.57	00.00	100.00	95.57	95.57	N/A	105,000	100,350
342	1	102.33	102.33	102.33	00.00	100.00	102.33	102.33	N/A	44,000	45,025
344	1	89.35	89.35	89.35	00.00	100.00	89.35	89.35	N/A	360,000	321,675
345	1	59.10	59.10	59.10	00.00	100.00	59.10	59.10	N/A	15,000	8,865
349	1	166.04	166.04	166.04	00.00	100.00	166.04	166.04	N/A	55,000	91,320
353	4	98.96	97.27	86.11	22.16	112.96	55.72	135.43	N/A	48,369	41,649
381	1	33.90	33.90	33.90	00.00	100.00	33.90	33.90	N/A	80,000	27,120
389	1	96.50	96.50	96.50	00.00	100.00	96.50	96.50	N/A	19,000	18,335
407	1	139.07	139.07	139.07	00.00	100.00	139.07	139.07	N/A	350,000	486,760
432	1	70.44	70.44	70.44	00.00	100.00	70.44	70.44	N/A	38,500	27,120
434	1	105.90	105.90	105.90	00.00	100.00	105.90	105.90	N/A	15,750	16,680
451	1	100.90	100.90	100.90	00.00	100.00	100.90	100.90	N/A	20,000	20,180
472	1	150.40	150.40	150.40	00.00	100.00	150.40	150.40	N/A	1,250	1,880
<u>ALL</u>	18	97.97	98.51	102.10	24.49	96.48	33.90	166.04	75.10 to 105.90	77,888	79,524

2012 Correlation Section for Kearney County

A. Commercial Real Property

Kearney County is located in south central Nebraska, just south of the city of Kearney. The largest town and county seat is Minden. The county has two high schools; one in Minden and one consolidated high school, Wilcox-Hildreth. The proximity to the city of Kearney along the northern border of the county results in residential growth.

A review of the statistical analysis reveals only 18 qualified commercial sales in the three year study period. Although the calculated statistics indicate the level of value is within the acceptable range, there are not a sufficient number of sales to have confidence in the calculated statistics. The calculated median is 98%. It will not be relied upon in determining the level of value for Kearney County nor will the qualitative measures be used in determining assessment uniformity and proportionality.

The sample is not representative of the population as a whole even though the assessor, with the assistance of the contracted appraisal company (Elliott Appraisal), has tried to utilize as many sales as possible without bias in the analysis of the commercial class; there is just not an active countywide commercial market in Kearney County. The largest number of sales occurred in the valuation grouping representing the town of Minden.

The 18 commercial sales can be further examined to reveal that three different valuation groupings and fourteen different occupancy codes are contained within the statistical profile. This diversity further gives credence that the market is unorganized and the statistics are not a reliable indicator of the level of value.

Kearney County is diligent in their sales verification. Questionnaires are mailed to both the buyer and seller of the property. The questionnaire asks for detail to assist the assessor in discovering the terms of the sale. The document asks whether any personal property was involved in the sale, how the property was listed for sale, whether any part of the property will be used for a non-residential purpose, if there was any prior association between the buyer and the seller and if there was any special consideration involved in the sale. Telephone contact is made to the buyer or seller if there are additional questions concerning the sale. Physical on-site reviews are also performed on the sales by the Assessor or the contract appraiser. Additionally, sales in the study period are monitored for any changes that may take place after the purchase.

Kearney County employs a six-year inspection cycle for reviewing the property in their county. Their review includes physically inspecting, measuring, photographing and updating their records. Kearney County is committed to moving forward technologically. They have a website with online parcel search, transfer sales electronically, complete spreadsheet analyses and utilize their GIS system.

The Department of Revenue, Property Assessment Division has implemented a cyclical analysis of one-third of the counties within the state per year to systematically review assessment practices. Kearney County was one of those selected for review in 2011 and it has been confirmed that the assessment actions are reliable and are being applied consistently. Therefore, it is believed there is uniform and proportionate treatment within the commercial

**2012 Correlation Section
for Kearney County**

class of property.

Based on the consideration of all available information, the level of value cannot be determined for the commercial class of real property. Because the known assessment practices are reliable and consistent it is believed that the commercial class of property is being treated in the most uniform and proportionate manner possible.

**2012 Correlation Section
for Kearney 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 Kearney 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 Kearney 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 Kearney 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 Kearney County

All agricultural sales were reviewed as well as potential market areas. An analysis of the sales was conducted, plotting each qualified sale within the study period. The analysis showed no geographic or economic characteristic differences that would indicate a need for separate market areas. As a result of the analysis, all agricultural land in the county is valued at one value per land capability group.

A spreadsheet analysis was conducted on the sales in the county and as a result, values were increased for irrigated, dry and grass.

Cooperation between the Assessor's office and Tri-Basin NRD continues to be good. Restrictions on water continue, along with water transfers not only within the county but also from neighboring counties. Water transfer sales are showing a healthy market developing.

All pickup work was completed on March 6, 2012 by contract appraiser Ron Elliott.

2012 Agricultural Assessment Survey for Kearney County

1.	Valuation data collection done by:	
	Contract appraiser for improved parcels, assessor for unimproved parcels	
2.	List each market area, and describe the location and the specific characteristics that make each unique.	
	Market Area	Description of unique characteristics
	1	No geographic or economic differences have been determined
3.	Describe the process that is used to determine and monitor market areas.	
	Sales are plotted, sales are verified, water availability is monitored, NRD restrictions are reviewed	
4.	Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land.	
	Sales are reviewed and inspected before a determination is made as to usage, and if there are sufficient sales, values to recreational land are reviewed.	
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?	
	Yes they carry the same value, no differences have been determined.	
6.	What process is used to annually update land use? (Physical inspection, FSA maps, etc.)	
	Physical inspection, assessment questionnaires, NRD certification, Farmer reporting, GIS	
7.	Describe the process used to identify and monitor the influence of non-agricultural characteristics.	
	The county monitors and reviews sales, they identify any sales along the river and review them for land usage	
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?	
	A substantial change would involve land usage changes or changes to improvements	

50 Kearney
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 : 42
 Total Sales Price : 15,630,653
 Total Adj. Sales Price : 15,577,153
 Total Assessed Value : 10,579,026
 Avg. Adj. Sales Price : 370,885
 Avg. Assessed Value : 251,882

MEDIAN : 72
 WGT. MEAN : 68
 MEAN : 73
 COD : 21.60
 PRD : 107.02

COV : 30.19
 STD : 21.94
 Avg. Abs. Dev : 15.49
 MAX Sales Ratio : 152.01
 MIN Sales Ratio : 26.82

95% Median C.I. : 65.52 to 78.72
 95% Wgt. Mean C.I. : 61.51 to 74.31
 95% Mean C.I. : 66.04 to 79.32

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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	1	85.87	85.87	85.87	00.00	100.00	85.87	85.87	N/A	115,000	98,755
01-OCT-08 To 31-DEC-08	4	69.07	68.25	69.08	06.37	98.80	61.28	73.57	N/A	276,774	191,208
01-JAN-09 To 31-MAR-09	3	87.57	89.72	89.85	04.50	99.86	84.88	96.71	N/A	364,167	327,212
01-APR-09 To 30-JUN-09	6	76.49	76.23	77.26	19.90	98.67	42.42	98.60	42.42 to 98.60	378,183	292,192
01-JUL-09 To 30-SEP-09	5	74.84	68.02	59.03	26.42	115.23	26.82	103.34	N/A	221,354	130,668
01-OCT-09 To 31-DEC-09	3	57.95	74.55	66.57	34.50	111.99	52.86	112.83	N/A	332,635	221,435
01-JAN-10 To 31-MAR-10	6	72.52	73.31	70.28	08.78	104.31	63.60	89.89	63.60 to 89.89	434,869	305,623
01-APR-10 To 30-JUN-10											
01-JUL-10 To 30-SEP-10	3	64.09	92.67	75.88	46.86	122.13	61.91	152.01	N/A	382,853	290,503
01-OCT-10 To 31-DEC-10	7	57.29	60.18	55.86	22.97	107.73	41.58	79.63	41.58 to 79.63	605,666	338,345
01-JAN-11 To 31-MAR-11	2	75.09	75.09	73.18	11.00	102.61	66.83	83.35	N/A	260,000	190,268
01-APR-11 To 30-JUN-11	2	57.10	57.10	56.23	30.35	101.55	39.77	74.43	N/A	185,678	104,405
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09	14	77.97	77.53	78.50	15.88	98.76	42.42	98.60	66.42 to 93.39	327,407	257,027
01-JUL-09 To 30-JUN-10	14	72.52	71.69	66.85	21.07	107.24	26.82	112.83	56.37 to 89.89	336,706	225,099
01-JUL-10 To 30-JUN-11	14	65.46	68.83	60.98	26.81	112.87	39.77	152.01	46.64 to 79.63	448,541	273,519
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09	17	78.72	75.90	74.14	23.01	102.37	26.82	112.83	56.37 to 96.71	321,545	238,378
01-JAN-10 To 31-DEC-10	16	67.59	71.20	63.44	22.41	112.23	41.58	152.01	57.29 to 78.76	499,840	317,104
<u>ALL</u>	42	71.71	72.68	67.91	21.60	107.02	26.82	152.01	65.52 to 78.72	370,885	251,882

AREA (MARKET)											
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
1	42	71.71	72.68	67.91	21.60	107.02	26.82	152.01	65.52 to 78.72	370,885	251,882
<u>ALL</u>	42	71.71	72.68	67.91	21.60	107.02	26.82	152.01	65.52 to 78.72	370,885	251,882

50 Kearney
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 : 42
Total Sales Price : 15,630,653
Total Adj. Sales Price : 15,577,153
Total Assessed Value : 10,579,026
Avg. Adj. Sales Price : 370,885
Avg. Assessed Value : 251,882

MEDIAN : 72
WGT. MEAN : 68
MEAN : 73
COD : 21.60
PRD : 107.02

COV : 30.19
STD : 21.94
Avg. Abs. Dev : 15.49
MAX Sales Ratio : 152.01
MIN Sales Ratio : 26.82

95% Median C.I. : 65.52 to 78.72
95% Wgt. Mean C.I. : 61.51 to 74.31
95% Mean C.I. : 66.04 to 79.32

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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
Irrigated											
County	19	73.57	77.31	72.09	22.48	107.24	26.82	152.01	64.09 to 87.57	410,667	296,050
1	19	73.57	77.31	72.09	22.48	107.24	26.82	152.01	64.09 to 87.57	410,667	296,050
Dry											
County	5	74.84	80.18	76.84	14.00	104.35	66.83	103.34	N/A	164,320	126,270
1	5	74.84	80.18	76.84	14.00	104.35	66.83	103.34	N/A	164,320	126,270
Grass											
County	1	39.77	39.77	39.77	00.00	100.00	39.77	39.77	N/A	195,000	77,555
1	1	39.77	39.77	39.77	00.00	100.00	39.77	39.77	N/A	195,000	77,555
ALL	42	71.71	72.68	67.91	21.60	107.02	26.82	152.01	65.52 to 78.72	370,885	251,882

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	29	71.70	72.60	67.01	23.96	108.34	26.82	152.01	61.91 to 82.37	439,628	294,616
1	29	71.70	72.60	67.01	23.96	108.34	26.82	152.01	61.91 to 82.37	439,628	294,616
Dry											
County	7	70.60	75.63	71.57	14.02	105.67	57.95	103.34	57.95 to 103.34	199,942	143,104
1	7	70.60	75.63	71.57	14.02	105.67	57.95	103.34	57.95 to 103.34	199,942	143,104
Grass											
County	2	57.10	57.10	56.23	30.35	101.55	39.77	74.43	N/A	185,678	104,405
1	2	57.10	57.10	56.23	30.35	101.55	39.77	74.43	N/A	185,678	104,405
ALL	42	71.71	72.68	67.91	21.60	107.02	26.82	152.01	65.52 to 78.72	370,885	251,882

Kearney County 2012 Average LCG Value Comparison

	County	Mkt Area	1A1	1A	2A1	2A	3A1	3A	4A1	4A	AVG IRR
50.10	Kearney	1	#DIV/0!	3,150	2,500	2,400	1,600	1,200	1,050	800	2,584
1.10	Adams	1	3,350	3,268	2,899	2,550	2,075	2,055	1,895	1,704	3,030
69.10	Phelps	1	1,966	2,700	2,500	2,398	2,000	1,900	1,700	1,500	2,552
31.20	Franklin	2	2,525	2,545	2,330	2,290	1,895	1,885	1,885	1,885	2,380
42.10	Harlan	1	#DIV/0!	2,504	2,015	1,745	#DIV/0!	#DIV/0!	1,160	1,160	2,287
91.10	Webster	1	2,020	2,020	2,020	2,020	1,985	1,985	1,985	1,985	2,003
40.10	Hall	1	3,279	3,281	2,810	2,797	1,965	1,963	1,861	1,861	2,890

	County	Mkt Area	1D1	1D	2D1	2D	3D1	3D	4D1	4D	AVG DRY
	Kearney	1	#DIV/0!	1,450	1,350	1,350	700	500	509	500	1,224
	Adams	1	1,430	1,430	1,210	1,100	1,100	1,100	1,000	1,000	1,311
	Phelps	1	1,300	1,300	1,100	950	700	600	550	500	1,131
	Franklin	2	1,415	1,415	1,255	1,080	1,030	930	930	885	1,268
	Harlan	1	#DIV/0!	1,214	1,080	1,070	#DIV/0!	#DIV/0!	730	730	1,131
	Webster	1	1,225	1,225	1,225	975	975	975	925	925	1,103
	Hall	1	2,047	2,042	1,809	1,520	1,365	1,192	1,200	962	1,697

	County	Mkt Area	1G1	1G	2G1	2G	3G1	3G	4G1	4G	AVG GRASS
	Kearney	1	#DIV/0!	575	525	500	500	500	500	500	507
	Adams	1	900	899	899	845	725	725	725	725	780
	Phelps	1	447	634	857	658	520	543	479	399	521
	Franklin	2	710	679	633	608	593	569	562	543	563
	Harlan	1	#DIV/0!	500	500	500	#DIV/0!	#DIV/0!	500	500	500
	Webster	1	615	615	615	615	615	615	615	615	615
	Hall	1	1,554	1,556	1,218	1,219	717	717	714	718	868

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

**2012 Correlation Section
for Kearney County**

A. Agricultural Land

Kearney County is comprised of approximately 73% irrigated land, 14% dry crop land and 11% grass/pasture land. Kearney County is part of the Central Loess Plains Major Land Resource Area. The average annual precipitation in this area is 23 to 36 inches. The dominant soil order in this MLRA is Mollisols. Kearney County has one market area. Annually sales are reviewed and plotted to verify accuracy of the one market area determination. Kearney County has different natural resource districts on three of their borders. This causes difficulty in finding comparable sales except for Phelps County which is also in the Tri-Basin NRD. Additionally, all land directly to the north in Buffalo County receives special valuation.

Kearney County had 36 qualified agricultural land sales occurring in their county. These 36 sales equaled only 1.6% of the county's acres sold. These sales were also not representative for all three years of the statistical profile. Comparable sales existed within a six mile parameter of Kearney County to the west and six were selected. Three sales were added to the oldest year and three sales were added to the middle year of the sales study. The resulting statistical profile shows 42 sales with a calculated median of 72%, a COD of 21.6% and a PRD of 107.02%. The statistical sample is comprised of 65% irrigated sales, 24% dry sales and 11% grass sales. The acceptable thresholds for adequacy, time and majority land use were met.

The statistical profile also further breaks down subclasses of 95% and 80% majority land use revealing both irrigated and dry are within the acceptable range. Grass is outside of the acceptable range but with only two qualified sales, no reliable inference should be made. Although the COD and PRD are above the acceptable range, the quality statistics support the level of value and give confidence to the reported assessment actions.

The Department of Revenue, Property Assessment Division has implemented a cyclical analysis of one-third of the counties within the state per year to systematically review assessment practices. Kearney County was one of those selected for review in 2011 and it has been confirmed that the assessment actions are reliable and are being applied consistently. Therefore, it is believed there is uniform and proportionate treatment within the agricultural class of property.

A review, of the neighboring counties, shows that the 2012 average values in Kearney County very comparable to Phelps County and somewhat lower than Adams County. In response to the rapidly increasing agricultural market, irrigated values were increased 7% to 36%, dry values were increased 5% to 43% and grass values were increased 5% to 21%. Indications support that Kearney County has achieved both inter- and intra-county equalization.

Based on the consideration of all available information, the level of value is determined to be 72% of market value for the agricultural class of real property, and all subclasses are determined to be valued within the acceptable range. Because the known assessment practices are reliable and consistent it is believed that the agricultural class of property is being treated in the most uniform and proportionate manner possible.

**2012 Correlation Section
for Kearney County**

There will be no non-binding recommendation made for the agricultural class of property in Kearney County.

**2012 Correlation Section
for Kearney 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 Kearney 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 Kearney 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 Kearney 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 : 5,555

Value : 1,030,819,841

Growth 7,767,485

Sum Lines 17, 25, & 41

Schedule I : Non-Agricultural Records

	Urban		SubUrban		Rural		Total		Growth
	Records	Value	Records	Value	Records	Value	Records	Value	
01. Res UnImp Land	182	1,402,075	4	193,650	74	1,721,920	260	3,317,645	
02. Res Improve Land	1,611	12,961,210	67	2,103,140	601	16,230,795	2,279	31,295,145	
03. Res Improvements	1,684	110,544,975	67	10,083,875	668	68,634,455	2,419	189,263,305	
04. Res Total	1,866	124,908,260	71	12,380,665	742	86,587,170	2,679	223,876,095	3,459,380
% of Res Total	69.65	55.79	2.65	5.53	27.70	38.68	48.23	21.72	44.54
05. Com UnImp Land	53	410,105	4	104,350	9	870,310	66	1,384,765	
06. Com Improve Land	237	2,473,430	11	390,800	28	1,751,646	276	4,615,876	
07. Com Improvements	249	25,954,200	13	9,900,610	32	33,733,085	294	69,587,895	
08. Com Total	302	28,837,735	17	10,395,760	41	36,355,041	360	75,588,536	2,491,495
% of Com Total	83.89	38.15	4.72	13.75	11.39	48.10	6.48	7.33	32.08
09. Ind UnImp Land	0	0	0	0	0	0	0	0	
10. Ind Improve Land	0	0	0	0	0	0	0	0	
11. Ind Improvements	0	0	0	0	0	0	0	0	
12. Ind Total	0	0	0	0	0	0	0	0	0
% of Ind Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13. Rec UnImp Land	0	0	0	0	0	0	0	0	
14. Rec Improve Land	0	0	0	0	1	381,000	1	381,000	
15. Rec Improvements	0	0	0	0	1	500	1	500	
16. Rec Total	0	0	0	0	1	381,500	1	381,500	0
% of Rec Total	0.00	0.00	0.00	0.00	100.00	100.00	0.02	0.04	0.00
Res & Rec Total	1,866	124,908,260	71	12,380,665	743	86,968,670	2,680	224,257,595	3,459,380
% of Res & Rec Total	69.63	55.70	2.65	5.52	27.72	38.78	48.24	21.76	44.54
Com & Ind Total	302	28,837,735	17	10,395,760	41	36,355,041	360	75,588,536	2,491,495
% of Com & Ind Total	83.89	38.15	4.72	13.75	11.39	48.10	6.48	7.33	32.08
17. Taxable Total	2,168	153,745,995	88	22,776,425	784	123,323,711	3,040	299,846,131	5,950,875
% of Taxable Total	71.32	51.27	2.89	7.60	25.79	41.13	54.73	29.09	76.61

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	1	49,350	562,635	0	0	0
20. Industrial	0	0	0	0	0	0
21. Other	0	0	0	0	0	0
	Rural			Total		
	Records	Value Base	Value Excess	Records	Value Base	Value Excess
18. Residential	0	0	0	0	0	0
19. Commercial	0	0	0	1	49,350	562,635
20. Industrial	0	0	0	0	0	0
21. Other	0	0	0	0	0	0
22. Total Sch II				1	49,350	562,635

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	202	0	80	282

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	1	14,080	3	14,535	1,885	487,879,180	1,889	487,907,795
28. Ag-Improved Land	0	0	9	18,345	953	186,983,595	962	187,001,940
29. Ag Improvements	1	490	0	0	625	56,063,485	626	56,063,975
30. Ag Total							2,515	730,973,710

Schedule VI : Agricultural Records :Non-Agricultural Detail

	Urban			SubUrban			Growth
	Records	Acres	Value	Records	Acres	Value	
31. HomeSite UnImp Land	0	0.00	0	0	0.00	0	
32. HomeSite Improv Land	0	0.00	0	0	0.00	0	
33. HomeSite Improvements	0	0.00	0	0	0.00	0	
34. HomeSite Total							
35. FarmSite UnImp Land	0	0.00	0	0	0.00	0	
36. FarmSite Improv Land	0	0.00	0	0	0.00	0	
37. FarmSite Improvements	1	0.00	490	0	0.00	0	
38. FarmSite Total							
39. Road & Ditches	1	0.12	0	8	2.18	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	42	46.75	407,645	42	46.75	407,645	
32. HomeSite Improv Land	352	398.81	9,202,790	352	398.81	9,202,790	
33. HomeSite Improvements	358	0.00	24,889,605	358	0.00	24,889,605	0
34. HomeSite Total				400	445.56	34,500,040	
35. FarmSite UnImp Land	1	1.00	25,000	1	1.00	25,000	
36. FarmSite Improv Land	450	454.68	2,703,360	450	454.68	2,703,360	
37. FarmSite Improvements	591	0.00	31,173,880	592	0.00	31,174,370	1,816,610
38. FarmSite Total				593	455.68	33,902,730	
39. Road & Ditches	2,673	7,460.73	0	2,682	7,463.03	0	
40. Other- Non Ag Use	48	1,566.09	1,276,510	48	1,566.09	1,276,510	
41. Total Section VI				993	9,930.36	69,679,280	1,816,610

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

	Urban			SubUrban		
	Records	Acres	Value	Records	Acres	Value
42. Game & Parks	0	0.00	0	0	0.00	0
	Rural			Total		
	Records	Acres	Value	Records	Acres	Value
42. Game & Parks	0	0.00	0	0	0.00	0

Schedule VIII : Agricultural Records : Special Value

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

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

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 1

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	0.00	0.00%	0	0.00%	0.00
46. 1A	135,989.45	59.81%	428,306,110	72.90%	3,149.55
47. 2A1	13,476.66	5.93%	33,691,655	5.73%	2,500.00
48. 2A	28,455.06	12.51%	68,292,245	11.62%	2,400.00
49. 3A1	11,619.70	5.11%	18,591,550	3.16%	1,600.00
50. 3A	8,281.27	3.64%	9,937,540	1.69%	1,200.00
51. 4A1	20,335.09	8.94%	21,352,100	3.63%	1,050.01
52. 4A	9,218.06	4.05%	7,374,545	1.26%	800.01
53. Total	227,375.29	100.00%	587,545,745	100.00%	2,584.04
Dry					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	22,567.07	50.44%	32,722,760	59.74%	1,450.02
56. 2D1	1,731.30	3.87%	2,337,365	4.27%	1,350.06
57. 2D	10,045.38	22.45%	13,561,485	24.76%	1,350.02
58. 3D1	4,592.26	10.26%	3,214,570	5.87%	700.00
59. 3D	881.89	1.97%	440,945	0.81%	500.00
60. 4D1	3,939.02	8.80%	2,006,435	3.66%	509.37
61. 4D	983.83	2.20%	491,910	0.90%	499.99
62. Total	44,740.75	100.00%	54,775,470	100.00%	1,224.29
Grass					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	3,341.61	8.96%	1,921,485	10.16%	575.02
65. 2G1	681.84	1.83%	357,985	1.89%	525.03
66. 2G	2,247.42	6.03%	1,123,710	5.94%	500.00
67. 3G1	2,064.33	5.54%	1,032,160	5.46%	500.00
68. 3G	3,379.01	9.06%	1,689,505	8.93%	500.00
69. 4G1	19,830.86	53.18%	9,915,430	52.43%	500.00
70. 4G	5,744.15	15.40%	2,872,075	15.19%	500.00
71. Total	37,289.22	100.00%	18,912,350	100.00%	507.18
Irrigated Total					
	227,375.29	73.17%	587,545,745	88.85%	2,584.04
Dry Total					
	44,740.75	14.40%	54,775,470	8.28%	1,224.29
Grass Total					
	37,289.22	12.00%	18,912,350	2.86%	507.18
72. Waste	1,352.62	0.44%	60,865	0.01%	45.00
73. Other	0.00	0.00%	0	0.00%	0.00
74. Exempt	13.00	0.00%	0	0.00%	0.00
75. Market Area Total	310,757.88	100.00%	661,294,430	100.00%	2,128.01

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	4.47	14,080	4.75	11,880	227,366.07	587,519,785	227,375.29	587,545,745
77. Dry Land	0.00	0	13.35	17,345	44,727.39	54,758,125	44,740.74	54,775,470
78. Grass	0.00	0	7.11	3,655	37,282.10	18,908,695	37,289.21	18,912,350
79. Waste	0.00	0	0.00	0	1,352.62	60,865	1,352.62	60,865
80. Other	0.00	0	0.00	0	0.00	0	0.00	0
81. Exempt	0.00	0	0.00	0	13.00	0	13.00	0
82. Total	4.47	14,080	25.21	32,880	310,728.18	661,247,470	310,757.86	661,294,430

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	227,375.29	73.17%	587,545,745	88.85%	2,584.04
Dry Land	44,740.74	14.40%	54,775,470	8.28%	1,224.29
Grass	37,289.21	12.00%	18,912,350	2.86%	507.18
Waste	1,352.62	0.44%	60,865	0.01%	45.00
Other	0.00	0.00%	0	0.00%	0.00
Exempt	13.00	0.00%	0	0.00%	0.00
Total	310,757.86	100.00%	661,294,430	100.00%	2,128.01

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

50 Kearney

	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	220,891,775	223,876,095	2,984,320	1.35%	3,459,380	-0.22%
02. Recreational	371,095	381,500	10,405	2.80%	0	2.80%
03. Ag-Homesite Land, Ag-Res Dwelling	31,825,590	34,500,040	2,674,450	8.40%	0	8.40%
04. Total Residential (sum lines 1-3)	253,088,460	258,757,635	5,669,175	2.24%	3,459,380	0.87%
05. Commercial	73,354,291	75,588,536	2,234,245	3.05%	2,491,495	-0.35%
06. Industrial	0	0	0		0	
07. Ag-Farmsite Land, Outbuildings	29,801,310	33,902,730	4,101,420	13.76%	1,816,610	7.67%
08. Minerals	0	0	0		0	
09. Total Commercial (sum lines 5-8)	103,155,601	109,491,266	6,335,665	6.14%	4,308,105	1.97%
10. Total Non-Agland Real Property	356,244,061	369,525,411	13,281,350	3.73%	7,767,485	1.55%
11. Irrigated	507,641,815	587,545,745	79,903,930	15.74%		
12. Dryland	47,525,975	54,775,470	7,249,495	15.25%		
13. Grassland	16,937,260	18,912,350	1,975,090	11.66%		
14. Wasteland	59,900	60,865	965	1.61%		
15. Other Agland	1,118,905	0	-1,118,905	-100.00%		
16. Total Agricultural Land	573,283,855	661,294,430	88,010,575	15.35%		
17. Total Value of all Real Property (Locally Assessed)	929,527,916	1,030,819,841	101,291,925	10.90%	7,767,485	10.06%

**2011 Plan Of Assessment For Kearney County
Assessment Years 2012, 2013 and 2014
June 15, 2011**

Real Property Assessment Requirements:

All property in the State of Nebraska is subject to property tax unless expressly exempt by the 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).

Assessment levels required for real property are as follows:

- 1) 100% of actual value for all classes of real property excluding agricultural and horticultural land;
- 2) 75% of actual value for agricultural land and horticultural land; and
- 3) 75% of special value for agricultural and horticultural land which meets the qualifications for special valuation under 77-1344.

Current Resources:

Staff members consist of the Assessor, Deputy Assessor and part-time Assessment Clerk. The assessor and deputy are certified by the Property Tax Administrator. Certificate holders will continue to keep their certifications current by attending continuing education classes offered at workshops, district meetings and IAAO classes. Current statutes, regulations and directives will continue to be followed.

The assessor requested and received an office budget of \$986807. The assessor requested and received an appraisal maintenance budget of \$27,450.

The GIS system is continually updated for land use changes. Cadastral pages are printed from a plotter in the office. Aerial photos were flown by GIS Workshop in 2010. Property record cards are continually updated for name changes, sales information, valuation changes, photos of property and sketches.

MIPS provides software used for Assessment Administration. Arc-View is the GIS software currently being used and is supported by GIS Workshop. Pricing software comes from Marshall and Swift and APEX is used for sketches.

The Assessor's website can be found at kearney.gisworkshop.com. All property record information, including maps, is available to the public at no charge.

Current Assessment Procedures for Real Property

Real Estate transfer statements are handled daily. Ownership changes are made in the administrative package and are updated on the website monthly. All agricultural sales are verified by a sales verification form sent to the grantee and the grantor and physical inspections as necessary. Commercial sales are verified by a telephone call and physical inspections as necessary. Building permits are checked yearly beginning in April. All pick-up work is scheduled to be completed by March 1 of each year.

It is the goal of the office to review at least 25 percent of the properties yearly. Market data is gathered and reviewed yearly. Ratio studies are conducted on all sales beginning in September. Excel spreadsheets are used to run ratios on each property type. These studies are used to determine the areas that are out of compliance. A review is then conducted for the next assessment cycle.

The current cost manual for residential property is June, 2007. Commercial properties are costed from April, 2007. Depreciation studies are done yearly according to the market. The cost approach is used to establish the replacement cost new. Depreciation is then derived from the market. The income approach is also used on the commercial and industrial properties.

Continual market analysis will be conducted in all categories of properties to ensure that the level of value and quality of assessment in Kearney County is in compliance with state statutes to equalize among the classes and subclasses of Kearney County.

Agricultural land values are established yearly. Assessment records are used by Tri-Basin NRD for the allocation of water to each land owner. Land owners verify the land use in the assessor's office. The land use is then entered into the GIS system and forwarded to the Tri-Basin NRD to assist them in this allocation process.

New ratio studies are run using the newly established values to determine if any areas are out of compliance or if all guidelines are met.

Notice of Valuation Change forms are mailed to all property owners on or before June 1.

Level of Value, Quality and Uniformity for assessment year 2011:

<u>Property Class</u>	<u>Median</u>	<u>COD</u>	<u>PRD</u>
Residential	96	21.51	109.36
Commercial	97	16.04	110.77
Agricultural Land	71	20.69	95.80

Assessment Actions Planned for Assessment Year 2012:

Residential:

All residential property pricing will be updated using Marshall & Swift tables. Depreciation tables will be adjusted accordingly depending on the actions of the market. All residential pick-up work and building permits will be reviewed and completed by March 1, 2012.

Commercial:

All commercial property pricing will be updated using the most current Marshall and Swift tables. Depreciation tables will be adjusted accordingly by the market. All pick-up work and building permits will be reviewed and completed by March 1, 2012.

Agricultural Land:

All land use is currently sketched into the GIS system. Irrigation land use changes are made after the property owner has signed off on a transfer sheet to be in compliance with NRD rules and regulations. Other land use changes will be monitored by the assessor and her staff. A market analysis will be conducted for 2012 and values will be assessed at 75% of market value. All pick-up work will be reviewed and completed by March 1, 2012.

Assessment Actions Planned for Assessment year 2013:

Residential:

The market will continue to be monitored. All residential pick-up work and building permits will be reviewed and completed by March 1, 2013.

Commercial:

The market will continue to be monitored for changes. All pick-up work and building permits will be reviewed and completed by March 1, 2013.

Agricultural Land:

Market analysis will be conducted to ensure that the level of value and quality of assessment is in compliance with state statutes. Land use will be updated as the information becomes available. Aerial photos will be flown by GIS WorkshopDrive to check for unreported improvements. All pick-up

work will be completed by March 1, 2013.

Assessment Actions Planned for Assessment year 2014:

Residential:

Market analysis will be conducted to ensure that the level of value and quality of assessment in Kearney County is in compliance with state statutes to facilitate equalization within the residential class. Pick-up work and building permits will be reviewed by March 1, 2014.

Commercial:

Market analysis of commercial data will be conducted to ensure the integrity of the reappraisal. Pick-up work and building permits will be reviewed and completed by March 1, 2014.

Agricultural Land:

Market analysis will be conducted to ensure that the level of value and quality of assessment in Kearney County is in compliance with state statutes to facilitate equalization within the agricultural class. Land use will be updated as the information becomes available. Drive-by inspections will be conducted. All pick-up work will be reviewed and completed by March 1, 2014.

Other Functions Performed By The Assessor's Office, but not limited to:

1. Appraisal cards are updated yearly. Ownership changes are made as the transfers are given to the Assessor's offices from the Register of Deeds. Green sheets are now sent electronically to the department. Splits and subdivision changes are made as they become available to the Assessor's office from the County Clerk. All information is updated in the GIS system and the computer administrative system when they are changed on the appraisal cards.
2. Annually prepare and file Assessor Administrative Reports requested by law/regulation:

- Abstract
- Assessor Survey
- Sales information to PAD, rosters and annual assessed value update
- Certification of Value to political subdivisions
- School District Taxable Value Report
- Homestead Exemption Tax Loss Report
- Certificate of Taxes Levied Report
- Report of all exempt property and taxable government

owned property
Annual Plan of Assessment Report

3. Personal Property: Administer annual filing of approximately 1200 schedules, prepare subsequent notices for incomplete filings or failure to file and penalties applied, as required.
4. Permissive Exemptions: Administer annual filings of applications for new or continued exempt use, review and make recommendations to county board.
5. Taxable Government Owned Property: Annual review of government owned property not used for public purpose, send notice of intent to tax.
6. Homestead Exemptions: Administer approximately 194 annual filings of applications, approval/denial process, taxpayer notifications and taxpayer assistance.
7. Centrally Assessed: Review of valuations as certified by PAD for railroads and public service entities, establish assessment records and tax billing for tax list.
8. Tax Increment Financing: Management of record/valuation information for properties in community redevelopment projects for proper reporting on administrative reports and allocation of ad valorem tax.
9. Tax Districts and Tax Rates: Management of school district and other tax entity boundary changes necessary for correct assessment and tax information, input and review of tax rates used for tax billing process.
10. Tax Lists: Prepare and certify tax lists to the County Treasurer for real property, personal property and centrally assessed properties.
11. Tax List Corrections: Prepare tax list correction documents for county board approval.
12. County Board of Equalization: Attend County Board of Equalization meetings for valuation protests – assemble and provide information.
13. TERC Appeals: Prepare information and attend taxpayer appeal hearings before TERC – defend valuation.
14. TERC Statewide Equalization: Attend hearings if applicable to county. Defend values and implement orders of the Commission.

15. Education: Assessor Education – attend meetings, workshops and education classes to obtain required hours of continuing education to maintain assessor certification. The Assessor and Deputy Assessor both hold an Assessor certificate and will meet their 60 hours of education in a four year period to maintain it.

Respectfully submitted,

Linda K. Larsen
Kearney County Assessor

2012 Assessment Survey for Kearney County

A. Staffing and Funding Information

1.	Deputy(ies) on staff:
	1
2.	Appraiser(s) on staff:
	0
3.	Other full-time employees:
	0
4.	Other part-time employees:
	1 (4 days a month)
5.	Number of shared employees:
	0
6.	Assessor's requested budget for current fiscal year:
	\$98,807
7.	Adopted budget, or granted budget if different from above:
8.	Amount of the total assessor's budget set aside for appraisal work:
9.	If appraisal/reappraisal budget is a separate levied fund, what is that amount:
	\$27,450
10.	Part of the assessor's budget that is dedicated to the computer system:
	\$27,000
11.	Amount of the assessor's budget set aside for education/workshops:
	\$1,500
12.	Other miscellaneous funds:
	0
13.	Amount of last year's assessor's budget not used:
	0

B. Computer, Automation Information and GIS

1.	Administrative software:
	:MIPS
2.	CAMA software:
	MIPS
3.	Are cadastral maps currently being used?
	yes
4.	If so, who maintains the Cadastral Maps?
	Assessor and her staff
5.	Does the county have GIS software?
	Yes

6.	Is GIS available on a website? If so, what is the name of the website?
	Yes Kearney.GISworkshop.com
7.	Who maintains the GIS software and maps?
	Assessor and deputy
8.	Personal Property software:
	MIPS

C. Zoning Information

1.	Does the county have zoning?
	Yes
2.	If so, is the zoning countywide?
	Yes
3.	What municipalities in the county are zoned?
	Axtell, Heartwell, Norman, Wilcox, Minden and some sub-divisions within the county
4.	When was zoning implemented?
	2001

D. Contracted Services

1.	Appraisal Services:
	Ron Elliott Appraisal
2.	Other services:
	GIS Workshop

2012 Certification for Kearney 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 Kearney 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

