

Table of Contents

2012 Commission Summary

2012 Opinions of the Property Tax Administrator

Residential Reports

- Residential Assessment Actions
- Residential Assessment Survey
- Residential Statistics

Residential Correlation

- I. Correlation
- II. Analysis of Sales Verification
- III. Measure of Central Tendency
- IV. Analysis of Quality of Assessment

Commercial Reports

- Commercial Assessment Actions
- Commercial Assessment Survey
- Commercial Statistics

Commercial Correlation

- I. Correlation
- II. Analysis of Sales Verification
- III. Measure of Central Tendency
- IV. Analysis of Quality of Assessment

Agricultural and/or Special Valuation Reports

- Agricultural Assessment Actions
- Agricultural Assessment Survey
- Agricultural Average Acre Values Table
- Agricultural Land Statistics
- Special Valuation Methodology, if applicable
- Special Valuation Statistics, if applicable

Agricultural and/or Special Valuation Correlation

- I. Correlation
- II. Analysis of Sales Verification
- III. Measure of Central Tendency
- IV. Analysis of Quality of Assessment

County Reports

- 2012 County Abstract of Assessment for Real Property, Form 45
- 2012 County Agricultural Land Detail
- 2012 County Abstract of Assessment for Real Property Compared with the 2011 Certificate of Taxes Levied (CTL)
- County Assessor's Three Year Plan of Assessment

Assessment Survey – General Information

Certification

Maps

Market Areas

Registered Wells > 500 GPM

Valuation History Charts

2012 Commission Summary for McPherson County

Residential Real Property - Current

Number of Sales	7	Median	90.81
Total Sales Price	\$417,233	Mean	101.97
Total Adj. Sales Price	\$417,233	Wgt. Mean	89.67
Total Assessed Value	\$374,118	Average Assessed Value of the Base	\$33,258
Avg. Adj. Sales Price	\$59,605	Avg. Assessed Value	\$53,445

Confidence Interval - Current

95% Median C.I	80.00 to 170.51
95% Wgt. Mean C.I	79.03 to 100.30
95% Mean C.I	72.77 to 131.17
% of Value of the Class of all Real Property Value in the	2.69
% of Records Sold in the Study Period	5.74
% of Value Sold in the Study Period	9.22

Residential Real Property - History

Year	Number of Sales	LOV	Median
2011	9	0	92
2010	8	100	91
2009	7	100	92
2008	7	100	98

2012 Commission Summary for McPherson County

Commercial Real Property - Current

Number of Sales	0	Median	00.00
Total Sales Price	\$0	Mean	00.00
Total Adj. Sales Price	\$0	Wgt. Mean	00.00
Total Assessed Value	\$0	Average Assessed Value of the Base	\$45,433
Avg. Adj. Sales Price	\$0	Avg. Assessed Value	\$0

Confidence Interval - Current

95% Median C.I	N/A
95% Wgt. Mean C.I	N/A
95% Mean C.I	N/A
% of Value of the Class of all Real Property Value in the County	0.39
% of Records Sold in the Study Period	0.00
% of Value Sold in the Study Period	0.00

Commercial Real Property - History

Year	Number of Sales	LOV	Median
2011	0	0	0
2010	1	100	91
2009	1	100	91
2008	1	100	91

2012 Opinions of the Property Tax Administrator for McPherson 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	*NEI	Meets generally accepted mass appraisal practices.	No recommendation.
Commercial Real Property	*NEI	Meets generally accepted mass appraisal practices.	No recommendation.
Agricultural Land	70	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 McPherson County

Within the residential class of real property for assessment year 2012, newly discovered residential improvements were added to the property record cards.

All residential, including agricultural, outbuildings were revalued and all property record cards were updated with the new values.

A market study was done for the residential property in McPherson County but, due to an inadequate sample no changes were made for assessment year 2012.

Currently the county is in the process of doing a complete reappraisal on all residences, including agricultural homes, to be completed and on the tax rolls for 2013.

2012 Residential Assessment Survey for McPherson County

1.	Valuation data collection done by:	
	Assessor and contracted 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	Everything in the county is considered rural, even the village of Tryon, since it is unincorporated.
3.	List and describe the approach(es) used to estimate the market value of residential properties.	
	The cost approach, sales will be utilized in the development of a depreciation table. There are normally not enough sales to do a true sales comparison or income approach that would be meaningful.	
4	What is the costing year of the cost approach being used for each valuation grouping?	
	2007 - Will be working on a reappraisal next year with the costing of 2011 being applied in 2013.	
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?	
	Local market information is used.	
6.	Are individual depreciation tables developed for each valuation grouping?	
	No	
7.	When were the depreciation tables last updated for each valuation grouping?	
	2007 – Will be working on the reappraisal with the new depreciation tables being implemented in 2013.	
8.	When was the last lot value study completed for each valuation grouping?	
	2007 – Market study examined each year. There have been no sales of vacant lots in Tryon for several years. Lot values will be examined during the reappraisal process for 2013.	
9.	Describe the methodology used to determine the residential lot values?	
	A per square foot cost was developed from the few sales and information the contracted appraiser provided in the analysis.	
10.	How do you determine whether a sold parcel is substantially changed?	
	If the improvements on the parcel have been totally remodeled, or if the	

	improvements have been destroyed, or if the use of the sold parcel has changed from one class of property to another, then it is considered substantially changed.
--	--

60 McPherson

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 : 7
 Total Sales Price : 417,233
 Total Adj. Sales Price : 417,233
 Total Assessed Value : 374,118
 Avg. Adj. Sales Price : 59,605
 Avg. Assessed Value : 53,445

MEDIAN : 91
 WGT. MEAN : 90
 MEAN : 102
 COD : 18.63
 PRD : 113.72

COV : 30.96
 STD : 31.57
 Avg. Abs. Dev : 16.92
 MAX Sales Ratio : 170.51
 MIN Sales Ratio : 80.00

95% Median C.I. : 80.00 to 170.51
 95% Wgt. Mean C.I. : 79.03 to 100.30
 95% Mean C.I. : 72.77 to 131.17

Printed:3/29/2012 3:24:45PM

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>Qtrrs</u>											
01-JUL-09 To 30-SEP-09	1	90.81	90.81	90.81	00.00	100.00	90.81	90.81	N/A	80,000	72,648
01-OCT-09 To 31-DEC-09	2	90.28	90.28	89.99	01.34	100.32	89.07	91.48	N/A	52,300	47,064
01-JAN-10 To 31-MAR-10	1	83.18	83.18	83.18	00.00	100.00	83.18	83.18	N/A	46,697	38,844
01-APR-10 To 30-JUN-10	1	170.51	170.51	170.51	00.00	100.00	170.51	170.51	N/A	5,500	9,378
01-JUL-10 To 30-SEP-10	1	80.00	80.00	80.00	00.00	100.00	80.00	80.00	N/A	129,000	103,198
01-OCT-10 To 31-DEC-10											
01-JAN-11 To 31-MAR-11	1	108.72	108.72	108.72	00.00	100.00	108.72	108.72	N/A	51,437	55,922
01-APR-11 To 30-JUN-11											
<u>Study Yrs</u>											
01-JUL-09 To 30-JUN-10	5	90.81	105.01	90.79	19.77	115.66	83.18	170.51	N/A	47,359	43,000
01-JUL-10 To 30-JUN-11	2	94.36	94.36	88.19	15.22	107.00	80.00	108.72	N/A	90,219	79,560
<u>Calendar Yrs</u>											
01-JAN-10 To 31-DEC-10	3	83.18	111.23	83.57	36.27	133.10	80.00	170.51	N/A	60,399	50,473
<u>ALL</u>	7	90.81	101.97	89.67	18.63	113.72	80.00	170.51	80.00 to 170.51	59,605	53,445

VALUATION GROUPING										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
01	7	90.81	101.97	89.67	18.63	113.72	80.00	170.51	80.00 to 170.51	59,605	53,445
<u>ALL</u>	7	90.81	101.97	89.67	18.63	113.72	80.00	170.51	80.00 to 170.51	59,605	53,445

PROPERTY TYPE *										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
01	7	90.81	101.97	89.67	18.63	113.72	80.00	170.51	80.00 to 170.51	59,605	53,445
06											
07											
<u>ALL</u>	7	90.81	101.97	89.67	18.63	113.72	80.00	170.51	80.00 to 170.51	59,605	53,445

60 McPherson

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 : 7
 Total Sales Price : 417,233
 Total Adj. Sales Price : 417,233
 Total Assessed Value : 374,118
 Avg. Adj. Sales Price : 59,605
 Avg. Assessed Value : 53,445

MEDIAN : 91
 WGT. MEAN : 90
 MEAN : 102
 COD : 18.63
 PRD : 113.72

COV : 30.96
 STD : 31.57
 Avg. Abs. Dev : 16.92
 MAX Sales Ratio : 170.51
 MIN Sales Ratio : 80.00

95% Median C.I. : 80.00 to 170.51
 95% Wgt. Mean C.I. : 79.03 to 100.30
 95% Mean C.I. : 72.77 to 131.17

Printed:3/29/2012 3:24:45PM

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	1	170.51	170.51	170.51	00.00	100.00	170.51	170.51	N/A	5,500	9,378	
Less Than 30,000	1	170.51	170.51	170.51	00.00	100.00	170.51	170.51	N/A	5,500	9,378	
___Ranges Excl. Low \$___												
Greater Than 4,999	7	90.81	101.97	89.67	18.63	113.72	80.00	170.51	80.00 to 170.51	59,605	53,445	
Greater Than 14,999	6	89.94	90.54	88.59	07.18	102.20	80.00	108.72	80.00 to 108.72	68,622	60,790	
Greater Than 29,999	6	89.94	90.54	88.59	07.18	102.20	80.00	108.72	80.00 to 108.72	68,622	60,790	
___Incremental Ranges___												
0 TO 4,999												
5,000 TO 14,999	1	170.51	170.51	170.51	00.00	100.00	170.51	170.51	N/A	5,500	9,378	
15,000 TO 29,999												
30,000 TO 59,999	3	91.48	94.46	95.09	09.30	99.34	83.18	108.72	N/A	46,045	43,785	
60,000 TO 99,999	2	89.94	89.94	90.03	00.97	99.90	89.07	90.81	N/A	72,300	65,093	
100,000 TO 149,999	1	80.00	80.00	80.00	00.00	100.00	80.00	80.00	N/A	129,000	103,198	
150,000 TO 249,999												
250,000 TO 499,999												
500,000 TO 999,999												
1,000,000 +												
___ALL___	7	90.81	101.97	89.67	18.63	113.72	80.00	170.51	80.00 to 170.51	59,605	53,445	

**2012 Correlation Section
for McPherson County**

A. Residential Real Property

The calculated median from the statistical sampling of 7 residential sales will not be relied upon in determining the level of value for McPherson County nor will the qualitative measures be used in determining assessment uniformity and proportionality. A level of value for the residential class of property cannot be made without a reasonable degree of certainty that the residential sample is adequate and representative of the residential population as a whole. McPherson County is an agricultural based county and a residential market does not exist.

The assessor has tried to utilize as many sales as possible, without bias in the qualification process, for use in the analysis of the residential class. The assessor works to maintain a six-year cycle of physical inspection and review and keeps up with the annual appraisal maintenance. Because assessment practices are reliable and applied consistently it is believed there is uniform and proportionate treatment within the residential class

For assessment year 2012 all residential and agricultural outbuildings were reviewed and re-priced for 2012. The county is currently in the process of doing a complete reappraisal on the homes, to be completed and on the tax rolls for 2013.

Based on the consideration of all available information, the level of value cannot be determined for the residential class of real property.

**2012 Correlation Section
for McPherson 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 McPherson 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 McPherson 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 McPherson 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 McPherson County

New commercial improvements were added to the property record cards.

There were no commercial sales with which to do a statistical analysis for assessment year 2012.

A commercial reappraisal was completed this year for all commercial properties within McPherson County with the assistance and expert knowledge of a qualified appraisal firm, Stanard Appraisal.

2012 Commercial Assessment Survey for McPherson County

1.	Valuation data collection done by:	
	Contracted 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	There are seldom any commercial sales in McPherson County.
3.	List and describe the approach(es) used to estimate the market value of commercial properties.	
	With only 9 commercial properties in McPherson County, the cost approach carries the most weight. A true sales comparison cannot be relied upon; however the sales are utilized to develop depreciation. Neither is there enough income and expense data available in this area to make the income approach reliable.	
3a.	Describe the process used to value unique commercial properties.	
	A contracted appraiser will be consulted.	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	2011	
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?	
	Local market.	
6.	Are individual depreciation tables developed for each valuation grouping?	
	No	
7.	When were the depreciation tables last updated for each valuation grouping?	
	2012	
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.	
	Vacant lot sales are rare, primarily relied on experience and information provided by the contracted appraiser in valuing similar lots in counties similar to McPherson County. A square foot cost is utilized.	
10.	How do you determine whether a sold parcel is substantially changed?	
	If the use has changed, such as changing from commercial to residential.	

60 McPherson

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 : 0
 Total Sales Price : 0
 Total Adj. Sales Price : 0
 Total Assessed Value : 0
 Avg. Adj. Sales Price : 0
 Avg. Assessed Value : 0

MEDIAN : 0
 WGT. MEAN : 0
 MEAN : 0
 COD : 00.00
 PRD : 00.00

COV : 00.00
 STD : 00.00
 Avg. Abs. Dev : 00.00
 MAX Sales Ratio : 00.00
 MIN Sales Ratio : 00.00

95% Median C.I. : N/A
 95% Wgt. Mean C.I. : N/A
 95% Mean C.I. : N/A

Printed:3/29/2012 3:24:46PM

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>Qtrrs</u>											
01-JUL-08 To 30-SEP-08											
01-OCT-08 To 31-DEC-08											
01-JAN-09 To 31-MAR-09											
01-APR-09 To 30-JUN-09											
01-JUL-09 To 30-SEP-09											
01-OCT-09 To 31-DEC-09											
01-JAN-10 To 31-MAR-10											
01-APR-10 To 30-JUN-10											
01-JUL-10 To 30-SEP-10											
01-OCT-10 To 31-DEC-10											
01-JAN-11 To 31-MAR-11											
01-APR-11 To 30-JUN-11											
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09											
01-JUL-09 To 30-JUN-10											
01-JUL-10 To 30-JUN-11											
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09											
01-JAN-10 To 31-DEC-10											
<u>ALL</u>											

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											
04											
<u>ALL</u>											

**60 McPherson
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 : 0
Total Sales Price : 0
Total Adj. Sales Price : 0
Total Assessed Value : 0
Avg. Adj. Sales Price : 0
Avg. Assessed Value : 0

MEDIAN : 0
WGT. MEAN : 0
MEAN : 0
COD : 00.00
PRD : 00.00

COV : 00.00
STD : 00.00
Avg. Abs. Dev : 00.00
MAX Sales Ratio : 00.00
MIN Sales Ratio : 00.00

95% Median C.I. : N/A
95% Wgt. Mean C.I. : N/A
95% Mean C.I. : N/A

Printed:3/29/2012 3:24:46PM

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											
___ Ranges Excl. Low \$ ___												
Greater Than	4,999											
Greater Than	14,999											
Greater Than	29,999											
___ Incremental Ranges ___												
0 TO	4,999											
5,000 TO	14,999											
15,000 TO	29,999											
30,000 TO	59,999											
60,000 TO	99,999											
100,000 TO	149,999											
150,000 TO	249,999											
250,000 TO	499,999											
500,000 TO	999,999											
1,000,000 +												
___ ALL ___												

**2012 Correlation Section
for McPherson County**

A. Commercial Real Property

There are no calculated median or qualitative measures for the commercial class of real property. There were no commercial sales within the current study period 07.01.08 to 06.30.11. McPherson County does not have a viable commercial market and is primarily an agricultural based county.

The assessor works to maintain a six-year cycle of physical inspection and review and keeps up with the annual appraisal maintenance. Because assessment practices are reliable and applied consistently it is believed there is uniform and proportionate treatment within the commercial class.

The reappraisal of all commercial properties has been completed for assessment year 2012 with the assistance and expert knowledge of a contracted appraisal firm, Stanard Appraisal.

Based on the consideration of all available information, the level of value cannot be determined for the commercial class of real property.

**2012 Correlation Section
for McPherson 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 McPherson 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 McPherson 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 McPherson 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 McPherson County

For assessment year 2012 within the class of agricultural real property, new improvements were added to the property record cards. Land use changes were updated on agricultural land if needed.

A market study was done on the agricultural land sales in McPherson County and with sales from the surrounding counties of Hooker, Thomas Logan, Lincoln, Keith, Arthur and Grant. From the analysis it was apparent that the grass land was driving the market and the statistical measure of central tendency was lower than the statutory level of 69% to 75% of market value. Therefore, it was necessary to increase grassland values to bring them within the required statistical level of market value. Irrigated vales were also increased to recognize the upward movement in the market even though there was little information to work with. The dry land did not change. Record cards were then updated.

The physical inspection and review of the agricultural property as part of the six year plan of assessment was completed. New reappraisal values were applied to all agricultural outbuildings. Record cards were then updated with those figures and the new agricultural land values were applied. All residences, including agricultural homes, will be reappraised and the new values will be applied in 2013.

2012 Agricultural Assessment Survey for McPherson County

1.	Valuation data collection done by:	
	Assessor and contracted appraiser.	
2.	List each market area, and describe the location and the specific characteristics that make each unique.	
	Market Area	Description of unique characteristics
	1	Due to the fact, there are no differences there is only one countywide market area for McPherson County.
3.	Describe the process that is used to determine and monitor market areas.	
	Sales studies are done to see if there is a difference in the market within the county. Thus far, there have been none, so one countywide market area is sufficient.	
4.	Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land.	
	This area is primarily ranch land. Small acreages that are not adjoining or part of a larger ranch holding, or would not substantiate an economically feasible ranching operation are considered rural residential. As of this interview non-agricultural influences have not been identified that would cause a parcel to be considered recreational.	
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, farm home sites are priced comparably to the residential home sites in the Village of Tryon.	
6.	What process is used to annually update land use? (Physical inspection, FSA maps, etc.)	
	Soil maps from the Web Soil Survey & FSA maps are extremely helpful, as well as information from the NRD and physical inspections. A notice is put in the local newspaper and patrons respond with land use changes.	
7.	Describe the process used to identify and monitor the influence of non-agricultural characteristics.	
	Not applicable.	
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?	
	If it was agland and then changed to residential, the class is changed.	

60 McPherson
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 : 43
 Total Sales Price : 22,810,784
 Total Adj. Sales Price : 22,730,784
 Total Assessed Value : 14,294,786
 Avg. Adj. Sales Price : 528,623
 Avg. Assessed Value : 332,437

MEDIAN : 67
 WGT. MEAN : 63
 MEAN : 70
 COD : 22.26
 PRD : 111.13

COV : 27.73
 STD : 19.38
 Avg. Abs. Dev : 15.01
 MAX Sales Ratio : 122.50
 MIN Sales Ratio : 29.59

95% Median C.I. : 60.66 to 78.07
 95% Wgt. Mean C.I. :
 95% Mean C.I. : 64.10 to 75.68

Printed:3/29/2012 3:24:47PM

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	3	53.45	59.10	58.41	10.57	101.18	53.45	70.40	N/A	207,333	121,112
01-OCT-08 To 31-DEC-08	3	59.54	65.64	59.55	11.10	110.23	58.77	78.60	N/A	1,747,500	1,040,631
01-JAN-09 To 31-MAR-09	2	68.39	68.39	71.91	12.96	95.10	59.53	77.24	N/A	435,700	313,298
01-APR-09 To 30-JUN-09	5	94.23	86.34	69.72	18.24	123.84	61.94	117.48	N/A	613,526	427,741
01-JUL-09 To 30-SEP-09	2	84.32	84.32	84.75	01.55	99.49	83.01	85.62	N/A	262,030	222,066
01-OCT-09 To 31-DEC-09	1	59.12	59.12	59.12	00.00	100.00	59.12	59.12	N/A	497,688	294,217
01-JAN-10 To 31-MAR-10	7	81.67	80.75	81.28	05.42	99.35	66.56	89.09	66.56 to 89.09	162,071	131,728
01-APR-10 To 30-JUN-10	3	73.74	75.28	69.21	42.00	108.77	29.59	122.50	N/A	186,267	128,924
01-JUL-10 To 30-SEP-10	2	66.36	66.36	64.51	08.59	102.87	60.66	72.06	N/A	241,603	155,860
01-OCT-10 To 31-DEC-10	12	65.60	61.31	62.83	16.49	97.58	34.98	78.95	49.39 to 75.33	622,875	391,322
01-JAN-11 To 31-MAR-11	1	43.23	43.23	43.23	00.00	100.00	43.23	43.23	N/A	90,000	38,906
01-APR-11 To 30-JUN-11	2	66.02	66.02	43.92	39.72	150.32	39.80	92.24	N/A	1,082,250	475,276
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09	13	63.83	72.51	63.76	22.36	113.72	53.45	117.48	58.77 to 94.23	754,118	480,810
01-JUL-09 To 30-JUN-10	13	81.67	78.37	75.40	15.04	103.94	29.59	122.50	66.56 to 86.52	208,850	157,478
01-JUL-10 To 30-JUN-11	17	64.47	61.40	58.72	19.61	104.56	34.98	92.24	46.88 to 75.33	600,718	352,767
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09	10	80.13	79.62	70.63	19.08	112.73	59.12	117.48	59.53 to 94.23	496,078	350,365
01-JAN-10 To 31-DEC-10	24	69.75	69.15	65.45	20.16	105.65	29.59	122.50	60.66 to 78.95	402,125	263,185
<u>ALL</u>	43	67.43	69.89	62.89	22.26	111.13	29.59	122.50	60.66 to 78.07	528,623	332,437

AREA (MARKET)										Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val
Blank	43	67.43	69.89	62.89	22.26	111.13	29.59	122.50	60.66 to 78.07	528,623	332,437
<u>ALL</u>	43	67.43	69.89	62.89	22.26	111.13	29.59	122.50	60.66 to 78.07	528,623	332,437

60 McPherson
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 : 43
 Total Sales Price : 22,810,784
 Total Adj. Sales Price : 22,730,784
 Total Assessed Value : 14,294,786
 Avg. Adj. Sales Price : 528,623
 Avg. Assessed Value : 332,437

MEDIAN : 67
 WGT. MEAN : 63
 MEAN : 70
 COD : 22.26
 PRD : 111.13

COV : 27.73
 STD : 19.38
 Avg. Abs. Dev : 15.01
 MAX Sales Ratio : 122.50
 MIN Sales Ratio : 29.59

95% Median C.I. : 60.66 to 78.07
 95% Wgt. Mean C.I. :
 95% Mean C.I. : 64.10 to 75.68

Printed:3/29/2012 3:24:47PM

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	1	70.40	70.40	70.40	00.00	100.00	70.40	70.40	N/A	182,000	128,135
Blank	1	70.40	70.40	70.40	00.00	100.00	70.40	70.40	N/A	182,000	128,135
_____Dry_____											
County	1	34.98	34.98	34.98	00.00	100.00	34.98	34.98	N/A	250,000	87,450
Blank	1	34.98	34.98	34.98	00.00	100.00	34.98	34.98	N/A	250,000	87,450
_____Grass_____											
County	38	69.75	71.53	65.48	21.05	109.24	29.59	122.50	61.94 to 78.60	513,534	336,283
Blank	38	69.75	71.53	65.48	21.05	109.24	29.59	122.50	61.94 to 78.60	513,534	336,283
_____ALL_____	43	67.43	69.89	62.89	22.26	111.13	29.59	122.50	60.66 to 78.07	528,623	332,437

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	2	76.71	76.71	76.58	08.23	100.17	70.40	83.01	N/A	178,500	136,701
Blank	2	76.71	76.71	76.58	08.23	100.17	70.40	83.01	N/A	178,500	136,701
_____Dry_____											
County	1	34.98	34.98	34.98	00.00	100.00	34.98	34.98	N/A	250,000	87,450
Blank	1	34.98	34.98	34.98	00.00	100.00	34.98	34.98	N/A	250,000	87,450
_____Grass_____											
County	39	67.43	71.21	65.28	21.55	109.08	29.59	122.50	60.66 to 78.60	516,135	336,928
Blank	39	67.43	71.21	65.28	21.55	109.08	29.59	122.50	60.66 to 78.60	516,135	336,928
_____ALL_____	43	67.43	69.89	62.89	22.26	111.13	29.59	122.50	60.66 to 78.07	528,623	332,437

McPherson County 2012 Average LCG Value Comparison

	County	Mkt Area	1A1	1A	2A1	2A	3A1	3A	4A1	4A	AVG IRR
60.10	McPherson	1	#DIV/0!	#DIV/0!	490	490	#DIV/0!	490	490	490	490
46.10	Hooker	1	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	450	450
86.10	Thomas	1	#DIV/0!	#DIV/0!	540	535	#DIV/0!	450	#DIV/0!	450	466
57.10	Logan	1	#DIV/0!	1,150	1,150	1,100	1,100	1,100	1,100	1,100	1,116
56.20	Lincoln	2	1,180	1,180	1,168	1,180	1,180	1,163	1,176	1,178	1,176
51.10	Keith	1	#DIV/0!	735	#DIV/0!	705	675	675	645	645	656
3.10	Arthur	1	#DIV/0!	#DIV/0!	655	#DIV/0!	655	655	655	655	655
38.10	Grant	1	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	450	450	450	450

	County	Mkt Area	1D1	1D	2D1	2D	3D1	3D	4D1	4D	AVG DRY
	McPherson	1	#DIV/0!	#DIV/0!	#DIV/0!	275	#DIV/0!	275	275	275	275
	Hooker	1	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Thomas	1	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Logan	1	#DIV/0!	570	440	395	355	325	315	315	403
	Lincoln	2	435	435	435	435	435	435	435	435	435
	Keith	1	#DIV/0!	420	#DIV/0!	427	351	425	413	316	403
	Arthur	1	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Grant	1	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

	County	Mkt Area	1G1	1G	2G1	2G	3G1	3G	4G1	4G	AVG GRASS
	McPherson	1	#DIV/0!	#DIV/0!	245	245	#DIV/0!	245	245	245	245
	Hooker	1	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	235	235	215	215	216
	Thomas	1	#DIV/0!	#DIV/0!	260	260	#DIV/0!	260	260	260	260
	Logan	1	#DIV/0!	315	315	315	315	315	315	315	315
	Lincoln	2	300	300	300	300	300	280	280	280	280
	Keith	1	#DIV/0!	311	#DIV/0!	305	278	275	258	255	256
	Arthur	1	#DIV/0!	#DIV/0!	240	#DIV/0!	240	240	240	240	240
	Grant	1	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	230	230	230	230

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

2012 Correlation Section for McPherson County

A. Agricultural Land

McPherson County is part of a large expanse of sand dune area known as the Nebraska Sand Hills. The counties in this region have similar soil characteristics however, an obvious difference would be the lack of meadows and rougher terrain with longer rooted grasses since the distance to ground water is greater. This would be typical of most of McPherson County. The land use makeup of the county is 96% grass, 3% irrigated and 1% dry land. McPherson County is divided by two natural resource districts; approximately one-third of the county on the east is in the Upper Loup Natural Resource District while the remainder of the county is in the Twin Platte Natural Resource District. The Upper Loup has a small area that has moratoriums and restrictions, but part of the district has a 2500 acre annual new well maximum. As of February 24, 2006 the Twin Platte Natural Resource District established a stay on the issuance of high capacity water well construction permits for the entire district. Good roads and proximity to the sale barns are an attribute that affects the local grass markets. The primary roads through McPherson County are highway 92 running east to west and highway 97 going north to south.

The McPherson County Clerk is an ex officio assessor, register of deeds, clerk of the district court and election commissioner. These various job responsibilities are useful in determining if sales are arms length transactions. Sales information can be gathered from the real estate agents at the time the deeds are filed. As Clerk of the District Court, the ex officio assessor is aware of foreclosures filed on property and forced sales. Other information maybe acquired from the buyer and or seller, and because the county is small the assessor has been doing well at obtaining information by personal contact or a phone call.

Since the county is very homogenous in makeup, no market areas have been created. A review of the agricultural sales over the three year study period indicate 1 sale occurred from 7/1/08 to 6/30/09, 5 occurred from 7/1/09 to 6/30/10 and 17 occurred from 7/1/10 to 6/30/11. The sample is not proportionate among each year of the study period; the statistical measures are being skewed toward the third year of the study period and may cause McPherson County to be compared to a different time standard than others. Sales need to be brought into the analysis to make the sample proportionate and reliable, and to make the analysis an appropriate measure of the agricultural population.

Comparable sales were identified and pooled together from the surrounding counties of Hooker, Thomas, Logan, Lincoln (market area 2), Keith (market area 1), and Grant counties. The sales were stratified by geo code to first determine the distance from McPherson County. The sand hills cover a wide expanse of area, common characteristics and influences can be observed over larger regions, a large number of comparable sales within a six mile radius would not be typical. The comparable sales were then further stratified by sale date, land use and topography. From the pool 12 sales were brought into the first year and 8 into the second year, the sample was then considered adequate and proportionate and there was not a difference of more than 10 percentage points between each year.

The analysis, based on a sample of 43 sales, demonstrated the overall median to be 67.43%. However, within the subclass Majority Land Use (MLU) greater than 95% strata grass the

**2012 Correlation Section
for McPherson County**

median is shown to be 69.75%, utilizing 38 sales, with a coefficient of dispersion (COD) of 21.05. The median for the subclass MLU greater than 95% strata grass will be given the most consideration in determining the level of value for McPherson County since the makeup of the county is ninety-six percent grass.

From the assessors analysis of the agricultural land market it was apparent that the grass land values were low and needed to be adjusted upward. Even though there were only a few irrigated sales within the analysis the assessor increased the irrigated values by 2% in an effort to recognize the upward trend in the market. McPherson County has a consistent method of assigning and implementing agricultural land values, it is believed that the assessments are uniform and proportionate within and across county lines.

Based on the consideration of all available information, the level of value is determined to be 70% of market value for the agricultural land class of property.

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

**2012 Correlation Section
for McPherson 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 McPherson 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 McPherson 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 McPherson 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 : 1,603	Value : 150,981,947	Growth 251,125	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	0	0	0	0	31	106,834	31	106,834	
02. Res Improve Land	0	0	0	0	87	293,295	87	293,295	
03. Res Improvements	0	0	0	0	91	3,657,347	91	3,657,347	
04. Res Total	0	0	0	0	122	4,057,476	122	4,057,476	10,990
% of Res Total	0.00	0.00	0.00	0.00	100.00	100.00	7.61	2.69	4.38
05. Com UnImp Land	0	0	0	0	3	5,342	3	5,342	
06. Com Improve Land	0	0	0	0	10	44,870	10	44,870	
07. Com Improvements	0	0	0	0	10	540,423	10	540,423	
08. Com Total	0	0	0	0	13	590,635	13	590,635	86,383
% of Com Total	0.00	0.00	0.00	0.00	100.00	100.00	0.81	0.39	34.40
09. Ind UnImp Land	0	0	0	0	0	0	0	0	
10. Ind Improve Land	0	0	0	0	0	0	0	0	
11. Ind Improvements	0	0	0	0	0	0	0	0	
12. Ind Total	0	0	0	0	0	0	0	0	0
% of Ind Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13. Rec UnImp Land	0	0	0	0	0	0	0	0	
14. Rec Improve Land	0	0	0	0	0	0	0	0	
15. Rec Improvements	0	0	0	0	0	0	0	0	
16. Rec Total	0	0	0	0	0	0	0	0	0
% of Rec Total	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Res & Rec Total	0	0	0	0	122	4,057,476	122	4,057,476	10,990
% of Res & Rec Total	0.00	0.00	0.00	0.00	100.00	100.00	7.61	2.69	4.38
Com & Ind Total	0	0	0	0	13	590,635	13	590,635	86,383
% of Com & Ind Total	0.00	0.00	0.00	0.00	100.00	100.00	0.81	0.39	34.40
17. Taxable Total	0	0	0	0	135	4,648,111	135	4,648,111	97,373
% of Taxable Total	0.00	0.00	0.00	0.00	100.00	100.00	8.42	3.08	38.77

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	0	0	0	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	0	0	0
20. Industrial	0	0	0	0	0	0
21. Other	0	0	0	0	0	0
22. Total Sch II				0	0	0

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	0	1	33	34

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	0	0	0	0	1,291	118,946,553	1,291	118,946,553
28. Ag-Improved Land	0	0	0	0	171	18,943,621	171	18,943,621
29. Ag Improvements	0	0	0	0	177	8,443,662	177	8,443,662
30. Ag Total							1,468	146,333,836

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	0	0.00	0	0	0.00	0	
38. FarmSite Total							
39. Road & Ditches	0	0.00	0	0	0.00	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
	Rural			Total			
	Records	Acres	Value	Records	Acres	Value	
31. HomeSite UnImp Land	1	1.00	2,500	1	1.00	2,500	
32. HomeSite Improv Land	126	145.00	362,500	126	145.00	362,500	
33. HomeSite Improvements	117	133.00	6,432,139	117	133.00	6,432,139	153,752
34. HomeSite Total				118	146.00	6,797,139	
35. FarmSite UnImp Land	2	8.00	1,960	2	8.00	1,960	
36. FarmSite Improv Land	167	583.00	150,590	167	583.00	150,590	
37. FarmSite Improvements	174	0.00	2,011,523	174	0.00	2,011,523	0
38. FarmSite Total				176	591.00	2,164,073	
39. Road & Ditches	0	1,546.49	0	0	1,546.49	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
41. Total Section VI				294	2,283.49	8,961,212	153,752

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	0.00	0.00%	0	0.00%	0.00
47. 2A1	50.00	0.35%	24,500	0.35%	490.00
48. 2A	1,185.93	8.19%	581,106	8.19%	490.00
49. 3A1	0.00	0.00%	0	0.00%	0.00
50. 3A	3,573.23	24.67%	1,750,883	24.67%	490.00
51. 4A1	4,574.98	31.59%	2,241,740	31.59%	490.00
52. 4A	5,097.72	35.20%	2,497,884	35.20%	490.00
53. Total	14,481.86	100.00%	7,096,113	100.00%	490.00
Dry					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	0.00	0.00%	0	0.00%	0.00
56. 2D1	0.00	0.00%	0	0.00%	0.00
57. 2D	607.80	19.72%	167,146	19.72%	275.00
58. 3D1	0.00	0.00%	0	0.00%	0.00
59. 3D	609.20	19.77%	167,531	19.77%	275.00
60. 4D1	764.30	24.80%	210,185	24.80%	275.00
61. 4D	1,100.90	35.72%	302,752	35.72%	275.00
62. Total	3,082.20	100.00%	847,614	100.00%	275.00
Grass					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	0.00	0.00%	0	0.00%	0.00
65. 2G1	255.00	0.05%	62,475	0.05%	245.00
66. 2G	4,052.40	0.77%	992,840	0.77%	245.00
67. 3G1	0.00	0.00%	0	0.00%	0.00
68. 3G	21,167.51	4.01%	5,186,048	4.01%	245.00
69. 4G1	50,046.29	9.48%	12,261,349	9.48%	245.00
70. 4G	452,595.49	85.70%	110,885,916	85.70%	245.00
71. Total	528,116.69	100.00%	129,388,628	100.00%	245.00
Irrigated Total	14,481.86	2.63%	7,096,113	5.17%	490.00
Dry Total	3,082.20	0.56%	847,614	0.62%	275.00
Grass Total	528,116.69	96.07%	129,388,628	94.19%	245.00
72. Waste	4,026.93	0.73%	40,269	0.03%	10.00
73. Other	0.00	0.00%	0	0.00%	0.00
74. Exempt	18.55	0.00%	0	0.00%	0.00
75. Market Area Total	549,707.68	100.00%	137,372,624	100.00%	249.90

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	0.00	0	0.00	0	14,481.86	7,096,113	14,481.86	7,096,113
77. Dry Land	0.00	0	0.00	0	3,082.20	847,614	3,082.20	847,614
78. Grass	0.00	0	0.00	0	528,116.69	129,388,628	528,116.69	129,388,628
79. Waste	0.00	0	0.00	0	4,026.93	40,269	4,026.93	40,269
80. Other	0.00	0	0.00	0	0.00	0	0.00	0
81. Exempt	0.00	0	0.00	0	18.55	0	18.55	0
82. Total	0.00	0	0.00	0	549,707.68	137,372,624	549,707.68	137,372,624

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	14,481.86	2.63%	7,096,113	5.17%	490.00
Dry Land	3,082.20	0.56%	847,614	0.62%	275.00
Grass	528,116.69	96.07%	129,388,628	94.19%	245.00
Waste	4,026.93	0.73%	40,269	0.03%	10.00
Other	0.00	0.00%	0	0.00%	0.00
Exempt	18.55	0.00%	0	0.00%	0.00
Total	549,707.68	100.00%	137,372,624	100.00%	249.90

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

60 McPherson

	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	4,065,845	4,057,476	-8,369	-0.21%	10,990	-0.48%
02. Recreational	0	0	0		0	
03. Ag-Homesite Land, Ag-Res Dwelling	6,722,688	6,797,139	74,451	1.11%	153,752	-1.18%
04. Total Residential (sum lines 1-3)	10,788,533	10,854,615	66,082	0.61%	164,742	-0.91%
05. Commercial	483,005	590,635	107,630	22.28%	86,383	4.40%
06. Industrial	0	0	0		0	
07. Ag-Farmsite Land, Outbuildings	2,280,785	2,164,073	-116,712	-5.12%	0	-5.12%
08. Minerals	0	0	0		0	
09. Total Commercial (sum lines 5-8)	2,763,790	2,754,708	-9,082	-0.33%	86,383	-3.45%
10. Total Non-Agland Real Property	13,552,323	13,609,323	57,000	0.42%	251,125	-1.43%
11. Irrigated	6,669,436	7,096,113	426,677	6.40%		
12. Dryland	961,987	847,614	-114,373	-11.89%		
13. Grassland	124,152,652	129,388,628	5,235,976	4.22%		
14. Wasteland	40,269	40,269	0	0.00%		
15. Other Agland	0	0	0			
16. Total Agricultural Land	131,824,344	137,372,624	5,548,280	4.21%		
17. Total Value of all Real Property (Locally Assessed)	145,376,667	150,981,947	5,605,280	3.86%	251,125	3.68%

McPHERSON COUNTY
2011 PLAN OF ASSESSMENT
(FOR THE YEARS 2011, 2012, 2013)

Nebraska State Law establishes the framework within which the assessor must operate. However, a real property assessment system requires that an operation or procedure be done completely and in a uniform manner each time it is repeated. Accurate and efficient assessment practices represent prudent expenditure of tax monies, establishes taxpayer confidence in local government and enables the local government to serve its citizens more effectively. The important role the assessment practices play in local government cannot be overstated.

Pursuant to Neb. Laws 2005, LB263, 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 the two years thereafter. The plan shall indicate the 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 levels 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 amendment shall be mailed to the Department of Property Assessment and Taxation on or before October 31 each year.

General Description of the County:

McPherson County has 1,606 parcels of taxable real property and 34 parcels of exempt property. The residential parcel count is approximately 7% of the total taxable parcels, commercial is 1% and agricultural is 90%. Exempt parcels represent 2% of the total county parcels.

The taxable value of real property in the County for the 2011 year was \$145,376,667 with approximately 3% attributed to residential, .003% to Commercial and 96.99% to agricultural.

McPherson County has 549,728.68 acres of taxable agricultural land. Of that 96% consists primarily of grassland. For assessment 2011, there were 6 building permits and/or information statements filed for new property construction and additions to existing improvements in the county.

Staff/Training/Budget

Due to the population of the county, the McPherson County Clerk is required to be an ex-officio County official, who must also hold the office of Assessor, Register of Deeds, Clerk of District Court and Election Commissioner. A valid Nebraska Assessor's Certificate is required in order to file for or assume the elected position of County Clerk. Statutes also now require the completion of 60 hours of continuing education within the four year term of office, in order to hold the Assessor's Certificate.

The County Clerk/Assessor has held this position since being elected in 1982 and assuming the office in 1983. The office has one employee who helps with all the many duties of the County Clerk's position. Due to the combination of the many offices and duties, it is impossible for the County Clerk to devote 100% of her time to the duties of assessing. Each office held has its own share of duties, reports and deadlines which must be met. The County Clerk is also responsible for conducting the County Elections on election years.

The Assessor has contracted with Appraiser Darrell Stanard, to review sold properties, complete the annual pick-up work, analyze the statistical measures used by the Department of Property Assessment and Taxation, & provide opinions of the planned actions to be taken by the Assessor's office for the current assessment of all county real property.

Normal office hours are 35 hours a week, normal working hours for the County Clerk are 50 hours a week. The Clerk/Assessor has attended IAAO courses and attends the annual workshops & training provided by the Department of Property Assessment & Taxation. The Assessor's general budget for 2011-2012 is \$28,018, including \$8,145 for Appraisal Fees.

Responsibilities

Record Maintenance/Procedure Manual

The record cards are in hardcopy format and they contain the required information such as ownership, legal description, classification codes, building lists and measurements, parcel identification number, land size, value and annual value posting. The records also show any splits or sales of the parcel including the book and page of the transferring deed and prior owner. Current pictures and land summary is included on each record. The record cards are also in an electronic format.

Mapping/Software

The County has contracted with ASI/Terra Scan computer services through the Department of Revenue. All residential improvements have been entered into the CAMA program. Future plans are to utilize the sketching program. Sales have been entered into the sales file on the system and statistical information is received from the Department of Revenue. The County has a set of cadastral maps dated 1955 which have not been fully utilized, however the assessor does have 2 large wall maps on which ownership and splits are kept current. Zoning was adopted in McPherson County in 2000. The Village of Tryon is unincorporated but was included in the transition area of the Comprehensive Plan.

Reports

Assessor is responsible for the timely filings of the additional following schedules & reports:

Personal Property	Certificate of Taxes Levied
County Abstract	Generate the County Tax Roll
Certification of Values to Subdivisions	Tax List Corrections as needed
School District Taxable Value Report	Administer Homestead Exemptions

Sales Review

The Assessor considers all sales to be arm's length, unless through the verification process, it is proven to be otherwise. Along with her personal knowledge, the sales are verified with the buyer if at all possible; the seller or real estate agent may also be contacted if the buyer cannot be reached. Most of the verification is done by personal contact or by telephone. Since the Assessor is also the Register of Deeds, any special financing arrangements are known to her at the time the Deed and Mortgages are filed in her office. If the sale involves personal property or is an outlying sale, an extended effort is made to verify the sale. No sale is qualified or disqualified based on a particular percentage above or below the acceptable range, The Real Estate Transfer Statements are completed on a monthly basis and filed timely with the Department of Revenue.

County Progress for the Three Property Classes:

Residential: A county-wide inspection & review was completed on all residential properties and mobile homes in 2011. It consisted of data collection and new pictures as needed. The RCN will be updated, using the June/2010 Marshall Swift costing index. A new depreciation table, derived from the sales, will be applied to all residential properties in the county. Property Record Cards were updated for all residential property. Market studies are done each year on Residential Property sales. Adjustments are made, if needed, or a county wide revaluation will be implemented if warranted.

Commercial: There are a total of 9 Commercial properties in McPherson County. A reappraisal of all commercial property in the county, will be conducted by Appraiser Darrell Stanard. The commercial property will be entered into the CAMA program as time allows. New listings were made with re-measuring and new data collected. Pictures of the commercial property were also updated. Market studies are done each year on any Commercial Property sales.

Agricultural:

The new 2009 soil survey was implemented in 2010. Soil types and land valuation groups are entered and captured on the Terra Scan Computer system. The County has established one market area for the entire county. Market studies are done on all agricultural sales each year. Land usage for all ag parcels was reviewed & updated as needed. Land values were set based on market value. Property record cards were updated.

Pickup Work:

New Improvements are added to the tax roll each year. Publications are made each year in the local paper informing patrons of the need to report new and improved structures. Building permits are required for all residential improvements and all other non-Ag improvements. Information Statements are also received in the Assessor's office for any new improvements. Pickup work commences as soon as the project is reported and all values are established for the new improvements in a timely manner each year prior to the March 19th deadline.

Future Appraisal Plans:

2011: Add new improvements to the property record cards. The new soil survey & conversion has been implemented. Terra Scan records & Property Record cards were updated with the new information. A county-wide inspection & review was completed on all residential properties and mobile homes. It consisted of data collection and new pictures as needed. The RCN will be updated, using the June/2010 Marshall Swift costing index. A new depreciation table, derived from the sales, will be applied to all residential properties in the county. Review market study on mobile homes & acreages, and residential properties and set values accordingly. Conduct a market study on all classes of Agricultural land, (dryland, irrigated & grass) and set values to be within compliance of the statutory statistical requirements. Conduct ongoing visual inspection of McPherson County property when picking up new improvements.

2012: Add new improvements to the property record cards. Conduct a market study on all classes of Agricultural land and set the values to be within the required statistical measures. Review sales study on mobile homes and residential property to see if any county wide adjustments are needed to bring them within the required statistical level. Start revaluation process of all agricultural and residential improvements. The RCN will be updated, using the June/2011 Marshall Swift costing index. A new depreciation table, derived from the sales, will be applied to all residential properties in the county. Conduct ongoing visual inspection of McPherson County Property when picking up new improvements.

2013: Add new improvements to the property record cards. Review sales statistical measures to determine if any adjustments are needed to bring county residential properties into the required range of value. Complete review process of all agricultural and residential improvements, create new depreciation tables & apply new values to all county improvements. Conduct a market study on Agricultural land (dryland, grassland and irrigated) and set values accordingly. Conduct ongoing visual inspection of McPherson County property when picking up new improvements.

These are tentative plans. Some of the reappraisals and adjustments to property classes may be done sooner if the market dictates changes need to be done earlier than planned.

This report is submitted June 10, 2011.

JUDY M. DAILEY
McPherson County Clerk/Assessor

2012 Assessment Survey for McPherson County

A. Staffing and Funding Information

1.	Deputy(ies) on staff:
	0
2.	Appraiser(s) on staff:
	0
3.	Other full-time employees:
	1
4.	Other part-time employees:
	0
5.	Number of shared employees:
	0
6.	Assessor's requested budget for current fiscal year:
	\$29,139
7.	Adopted budget, or granted budget if different from above:
	Same
8.	Amount of the total assessor's budget set aside for appraisal work:
	\$6,806
9.	If appraisal/reappraisal budget is a separate levied fund, what is that amount:
	Included in Assessor's budget.
10.	Part of the assessor's budget that is dedicated to the computer system:
	\$4,000
11.	Amount of the assessor's budget set aside for education/workshops:
	\$1,300
12.	Other miscellaneous funds:
	\$17,033
13.	Amount of last year's assessor's budget not used:
	\$6,789

B. Computer, Automation Information and GIS

1.	Administrative software:
	TerraScan
2.	CAMA software:
	TerraScan
3.	Are cadastral maps currently being used?
	No – a wall map is updated and kept current.
4.	If so, who maintains the Cadastral Maps?
	Not applicable.
5.	Does the county have GIS software?
	No – the Web Soil Survey/Natural Resource Conservation Service has been used.

6.	Is GIS available on a website? If so, what is the name of the website?
	No
7.	Who maintains the GIS software and maps?
	Not applicable.
8.	Personal Property software:
	TerraScan

C. Zoning Information

1.	Does the county have zoning?
	Yes
2.	If so, is the zoning countywide?
	Yes
3.	What municipalities in the county are zoned?
	The unincorporated Village of Tryon has been zoned as a transitional area including a two mile radius around the village, the remainder of the county is zoned agricultural.
4.	When was zoning implemented?
	2000

D. Contracted Services

1.	Appraisal Services:
	Contracted on an as needed basis.
2.	Other services:
	None

2012 Certification for Mcpherson 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 Mcpherson 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

