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2012 Commission Summary for Sarpy County

Residential Real Property - Current

Number of Sales	4299	Median	95.94
Total Sales Price	\$784,048,921	Mean	96.34
Total Adj. Sales Price	\$784,047,421	Wgt. Mean	96.12
Total Assessed Value	\$753,623,194	Average Assessed Value of the Base	\$149,955
Avg. Adj. Sales Price	\$182,379	Avg. Assessed Value	\$175,302

Confidence Interval - Current

95% Median C.I	95.80 to 96.10
95% Wgt. Mean C.I	95.92 to 96.32
95% Mean C.I	96.16 to 96.52
% of Value of the Class of all Real Property Value in the	72.78
% of Records Sold in the Study Period	8.02
% of Value Sold in the Study Period	9.38

Residential Real Property - History

Year	Number of Sales	LOV	Median
2011	5,067	96	96
2010	5,570	97	97
2009	6,577	96	96
2008	7,907	98	98

2012 Commission Summary for Sarpy County

Commercial Real Property - Current

Number of Sales	84	Median	97.87
Total Sales Price	\$110,267,800	Mean	95.45
Total Adj. Sales Price	\$110,267,800	Wgt. Mean	92.62
Total Assessed Value	\$102,130,870	Average Assessed Value of the Base	\$918,652
Avg. Adj. Sales Price	\$1,312,712	Avg. Assessed Value	\$1,215,844

Confidence Interval - Current

95% Median C.I	95.15 to 100.00
95% Wgt. Mean C.I	87.32 to 97.92
95% Mean C.I	92.95 to 97.95
% of Value of the Class of all Real Property Value in the County	23.25
% of Records Sold in the Study Period	3.01
% of Value Sold in the Study Period	3.98

Commercial Real Property - History

Year	Number of Sales	LOV	Median
2011	139	97	97
2010	271	97	97
2009	345	96	96
2008	359	97	97

2012 Opinions of the Property Tax Administrator for Sarpy 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	96	Meets generally accepted mass appraisal practices.	No recommendation.
Commercial Real Property	98	Meets generally accepted mass appraisal practices.	No recommendation.
Agricultural Land	*NEI	Meets generally accepted mass appraisal practices.	No recommendation.
Special Valuation of Agricultural Land	74	Meets generally accepted mass appraisal practices.	No recommendation.

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

Dated this 9th day of April, 2012.



Ruth A. Sorensen
Property Tax Administrator

2012 Residential Assessment Actions for Sarpy County

Sarpy County's residential appraisers are assigned particular areas of the county for the review and inspection. The appraisers are responsible for conducting sales review and verification, physical inspections, data collection of new building permits, and the overall analysis of subdivisions and other valuation groupings.

Inspections and other in-depth reviews for 2012 were conducted in certain areas by these appraisers based on the cyclical schedule developed by the county, or as market indication suggested certain areas lacked uniformity and proportionality. Following the data gathering or verification process, the county implemented the most current Marshall and Swift cost tables. New depreciation tables were analyzed and developed using local market information provided by the sales.

The appraisers also conducted analysis of vacant lot sales to determine land values for the various neighborhoods and market areas. In addition to the analysis of land values in general, rural residential site values and farm home site values were analyzed by five geographic areas. The resulting valuation of parcels was established using comparable sales with similar amenities to the subject parcels.

The assessment actions and pickup work of new construction resulted in value changes for 93% of the residential parcels.

2012 Residential Assessment Survey for Sarpy County

1.	Valuation data collection done by:	
	Staff Appraisers	
2.	In your opinion, what are the valuation groupings recognized in the County and describe the unique characteristics of each grouping:	
	Valuation Grouping	Assessor Location(s)/Neighborhood(s) included
	01	Bellevue Area
	02	Gretna Area
	03	Lavista Area
	04	Mobile Home Parks
	05	Millard Area
	06	Omaha Area
	07	Papillion Area
	08	Recreational/Lake Area
	09	Rural Sarpy
	10	Springfield Area
3.	List and describe the approach(es) used to estimate the market value of residential properties.	
	Cost approach to value with market transactions used to adjust depreciation tables.	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	The county uses the most current costing available for the entire county. For 2012 the June 2011 cost tables are used.	
5.	If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor?	
	Depreciation tables are based on local market information.	
6.	Are individual depreciation tables developed for each valuation grouping?	
	No, the depreciation tables are developed for the entire county as environmental or physical factors equally affect all of the county.	
7.	When were the depreciation tables last updated for each valuation grouping?	
	Depreciation studies are conducted annually.	
8.	When was the last lot value study completed for each valuation grouping?	
	The last lot value study was completed in 2011 for tax year 2012.	
9.	Describe the methodology used to determine the residential lot values?	
	Market transactions of similar vacant lots were used to determine lot values.	
10.	How do you determine whether a sold parcel is substantially changed?	
	Verification of the sale as of the date of sale to determine what actually was purchased or sold as of the given date. A determination is made as to whether it has been modified since that date. Substantially changes are excluded from the state sales file.	

77 Sarpy
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 : 4,299
Total Sales Price : 784,048,921
Total Adj. Sales Price : 784,047,421
Total Assessed Value : 753,623,194
Avg. Adj. Sales Price : 182,379
Avg. Assessed Value : 175,302

MEDIAN : 96
WGT. MEAN : 96
MEAN : 96
COD : 04.50
PRD : 100.23

COV : 06.25
STD : 06.02
Avg. Abs. Dev : 04.32
MAX Sales Ratio : 132.58
MIN Sales Ratio : 61.15

95% Median C.I. : 95.80 to 96.10
95% Wgt. Mean C.I. : 95.92 to 96.32
95% Mean C.I. : 96.16 to 96.52

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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>Qrtrs</u>											
01-JUL-09 To 30-SEP-09	845	95.76	95.71	95.67	04.18	100.04	62.49	118.71	95.47 to 96.03	177,562	169,881
01-OCT-09 To 31-DEC-09	662	95.53	95.95	95.96	04.37	99.99	64.05	132.58	95.27 to 95.93	171,468	164,548
01-JAN-10 To 31-MAR-10	382	95.88	95.88	95.84	04.16	100.04	61.15	120.62	95.41 to 96.42	179,563	172,090
01-APR-10 To 30-JUN-10	807	95.03	95.16	94.99	03.99	100.18	78.79	124.54	94.73 to 95.35	186,101	176,784
01-JUL-10 To 30-SEP-10	470	96.20	96.76	95.91	04.89	100.89	79.82	123.28	95.66 to 96.80	194,927	186,946
01-OCT-10 To 31-DEC-10	405	96.77	97.37	97.01	04.98	100.37	81.17	119.37	96.15 to 97.17	196,880	190,991
01-JAN-11 To 31-MAR-11	261	98.41	98.99	98.76	05.12	100.23	68.18	126.37	97.21 to 98.98	172,286	170,151
01-APR-11 To 30-JUN-11	467	96.78	97.65	97.32	04.71	100.34	69.00	123.75	96.36 to 97.19	182,872	177,977
<u>Study Yrs</u>											
01-JUL-09 To 30-JUN-10	2,696	95.51	95.63	95.55	04.18	100.08	61.15	132.58	95.35 to 95.71	178,905	170,951
01-JUL-10 To 30-JUN-11	1,603	96.80	97.53	97.02	04.94	100.53	68.18	126.37	96.50 to 97.04	188,222	182,620
<u>Calendar Yrs</u>											
01-JAN-10 To 31-DEC-10	2,064	95.74	96.09	95.77	04.47	100.33	61.15	124.54	95.49 to 95.99	189,016	181,017
<u>ALL</u>	4,299	95.94	96.34	96.12	04.50	100.23	61.15	132.58	95.80 to 96.10	182,379	175,302

VALUATION GROUPING

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
01	1,005	96.15	96.63	96.51	04.04	100.12	69.00	132.58	95.88 to 96.41	162,722	157,037
02	430	95.52	95.83	95.56	04.57	100.28	70.52	123.75	95.15 to 96.04	222,618	212,737
03	887	95.73	96.15	95.93	04.27	100.23	81.20	119.47	95.43 to 96.17	170,345	163,419
04	252	96.47	96.85	96.62	05.56	100.24	78.49	126.37	95.89 to 97.20	130,330	125,920
05	1,135	95.97	96.41	96.15	04.49	100.27	79.82	123.28	95.70 to 96.28	208,246	200,220
06	68	96.18	97.00	96.52	05.70	100.50	80.43	124.54	94.39 to 97.48	155,462	150,050
07	464	95.66	96.14	96.02	04.63	100.12	77.76	123.29	95.21 to 96.13	174,779	167,824
08	44	94.82	93.67	95.67	08.46	97.91	61.15	114.54	93.43 to 98.87	207,998	198,983
09	14	100.23	99.71	97.07	08.32	102.72	79.11	120.22	89.92 to 109.76	262,036	254,356
<u>ALL</u>	4,299	95.94	96.34	96.12	04.50	100.23	61.15	132.58	95.80 to 96.10	182,379	175,302

PROPERTY TYPE *

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
01	4,291	95.94	96.37	96.12	04.47	100.26	69.00	132.58	95.80 to 96.10	182,666	175,586
06	8	81.41	82.68	81.18	22.98	101.85	61.15	110.82	61.15 to 110.82	28,250	22,935
07											
<u>ALL</u>	4,299	95.94	96.34	96.12	04.50	100.23	61.15	132.58	95.80 to 96.10	182,379	175,302

77 Sarpy
RESIDENTIAL

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 WGT. MEAN : 96
 MEAN : 96
 COD : 04.50
 PRD : 100.23

COV : 06.25
 STD : 06.02
 Avg. Abs. Dev : 04.32
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 MIN Sales Ratio : 61.15

95% Median C.I. : 95.80 to 96.10
 95% Wgt. Mean C.I. : 95.92 to 96.32
 95% Mean C.I. : 96.16 to 96.52

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SALE PRICE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
___Low \$ Ranges___												
Less Than 5,000												
Less Than 15,000												
Less Than 30,000	6	102.36	97.64	99.28	11.75	98.35	61.15	114.54	61.15 to 114.54	22,500	22,338	
___Ranges Excl. Low \$___												
Greater Than 4,999	4,299	95.94	96.34	96.12	04.50	100.23	61.15	132.58	95.80 to 96.10	182,379	175,302	
Greater Than 14,999	4,299	95.94	96.34	96.12	04.50	100.23	61.15	132.58	95.80 to 96.10	182,379	175,302	
Greater Than 29,999	4,293	95.94	96.34	96.12	04.49	100.23	62.49	132.58	95.80 to 96.10	182,602	175,516	
___Incremental Ranges___												
0 TO 4,999												
5,000 TO 14,999												
15,000 TO 29,999	6	102.36	97.64	99.28	11.75	98.35	61.15	114.54	61.15 to 114.54	22,500	22,338	
30,000 TO 59,999	8	83.91	90.06	91.45	28.04	98.48	62.49	132.58	62.49 to 132.58	37,380	34,185	
60,000 TO 99,999	222	97.97	98.69	98.41	06.84	100.28	78.17	126.37	96.36 to 99.34	85,833	84,467	
100,000 TO 149,999	1,488	96.10	96.48	96.45	04.16	100.03	69.00	123.75	95.87 to 96.35	129,086	124,509	
150,000 TO 249,999	1,913	95.88	96.26	96.22	04.18	100.04	77.76	123.28	95.70 to 96.09	188,186	181,078	
250,000 TO 499,999	646	95.29	95.57	95.47	04.89	100.10	70.52	122.59	94.76 to 95.85	312,774	298,590	
500,000 TO 999,999	16	92.48	94.03	94.96	07.44	99.02	79.31	115.06	88.36 to 99.45	651,695	618,882	
1,000,000 +												
___ALL___	4,299	95.94	96.34	96.12	04.50	100.23	61.15	132.58	95.80 to 96.10	182,379	175,302	

**2012 Correlation Section
for Sarpy County**

A. Residential Real Property

As noted in the Assessment Actions piece of the Survey, Sarpy County conducts a complete reappraisal annually. The statistical results presented in this report display the results of their efforts. The measures of central are all within the acceptable range, and the quality statistics indicate uniform and proportionate valuation has been achieved.

The coefficient of dispersion is rather low in the residential class indicating that on average, selling prices of properties are within a small percentage of the assessed values. Given the fact that a complete residential reappraisal was completed for 2012, it is justifiable to see the dispersion relatively tightly clustered around the median. Neighborhoods in Sarpy County tend to be fairly homogenous as well. The process of updating cost tables annually and calculating new depreciation schedules assures the sold properties are valued in the same relation as the unsold properties.

Sarpy County uses approximately 240 neighborhoods to monitor variations in sales activity. On a broader scale, the county monitors regions of the county in 10 value groupings. Those groupings are reported in the statistical analysis and demonstrate that each grouping is valued appropriately.

A general overview of the statistics along with the assessment practices demonstrated by the county both indicate the level of value is within the acceptable range and the valuation groupings in the county bear a consistent relationship to market value.

A general overview of the statistics along with the assessment practices demonstrated by the county both indicate the level of value is within the acceptable range and the valuation groupings in the county bear a consistent relationship to market value.

**2012 Correlation Section
for Sarpy 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 Sarpy 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 Sarpy 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 Sarpy 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 Sarpy County

For tax year 2012, Sarpy County conducted a market analysis of the commercial class of property. Occupancy codes that were sufficiently represented by sales with indicated levels of value outside the acceptable range were reviewed and adjusted appropriately.

The county also reviewed and inspected properties based on the county's cyclical review schedule. Particular areas include apartment complexes and other multifamily residences.

Sarpy County's commercial appraisers are responsible for conducting sales review and verification, physical inspections, data collection of new building permits, and the overall analysis of subclass values. Completion of the assessment actions resulted in value changes for 17 percent of the commercial properties in Sarpy County.

2012 Commercial Assessment Survey for Sarpy County

1.	Valuation data collection done by:
	Staff Appraisers
2.	In your opinion, what are the valuation groupings recognized in the County and describe the unique characteristics of each grouping:
	Specifics are detailed in the Marshall & Swift occupancy code. For example: regional shopping center, service garage, storage warehouses, etc.
3.	List and describe the approach(es) used to estimate the market value of commercial properties.
	The cost approach, sales approach, and income approach are all used. Greater weight is put on the income approach to value.
3a.	Describe the process used to value unique commercial properties.
	The cost approach is used for unique properties, or the county uses the sales comparison approach using comparable sales from a broad area outside the county.
4.	What is the costing year of the cost approach being used for each valuation grouping?
	The costing year is based on the reappraisal occupancy code. An example is Apartments (352) were reappraised for 2012 and the June 2011 cost tables were used.
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?
	Tables are used from TerraScan, but the cost approach is seldom used to establish values.
6.	Are individual depreciation tables developed for each valuation grouping?
	Yes, TerraScan has different depreciation tables for each occupancy code.
7.	When were the depreciation tables last updated for each valuation grouping?
	As often as the CAMA vendor (TerraScan) updates the tables.
8.	When was the last lot value study completed for each valuation grouping?
	Lot value studies are done by geographic area, except for multifamily, which are done in conjunction with reappraisals. Market value for commercial lots has remained constant in Sarpy County for the past few years.
9.	Describe the methodology used to determine the commercial lot values.
	Sales comparison approach is used with consideration to size, shape, location, and zoning.
10.	How do you determine whether a sold parcel is substantially changed?
	Sale verification is done by contacting the buyer and seller along with a field inspection. Examples of properties substantially changed after the sale would be occupancy code changed, buildings razed, remodel, addition, and change in the condition of the property.

77 Sarpy
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 : 84
Total Sales Price : 110,267,800
Total Adj. Sales Price : 110,267,800
Total Assessed Value : 102,130,870
Avg. Adj. Sales Price : 1,312,712
Avg. Assessed Value : 1,215,844

MEDIAN : 98
WGT. MEAN : 93
MEAN : 95
COD : 08.41
PRD : 103.06

COV : 12.23
STD : 11.67
Avg. Abs. Dev : 08.23
MAX Sales Ratio : 135.42
MIN Sales Ratio : 63.22

95% Median C.I. : 95.15 to 100.00
95% Wgt. Mean C.I. : 87.32 to 97.92
95% Mean C.I. : 92.95 to 97.95

Printed:3/29/2012 3:36:12PM

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	12	91.11	87.02	82.43	12.56	105.57	63.22	107.81	74.77 to 98.40	2,257,704	1,860,995
01-OCT-08 To 31-DEC-08	12	95.72	98.24	93.97	07.86	104.54	77.91	135.42	93.46 to 100.00	726,000	682,258
01-JAN-09 To 31-MAR-09	6	92.78	94.46	95.88	12.74	98.52	78.13	111.44	78.13 to 111.44	931,917	893,500
01-APR-09 To 30-JUN-09	2	94.97	94.97	96.43	07.15	98.49	88.18	101.76	N/A	700,000	675,000
01-JUL-09 To 30-SEP-09	5	116.13	110.46	103.08	06.89	107.16	98.08	120.54	N/A	4,189,500	4,318,500
01-OCT-09 To 31-DEC-09	8	100.00	98.32	95.15	04.28	103.33	86.80	106.25	86.80 to 106.25	439,059	417,775
01-JAN-10 To 31-MAR-10	6	95.52	93.78	89.01	05.36	105.36	83.51	100.00	83.51 to 100.00	632,667	563,167
01-APR-10 To 30-JUN-10	8	100.00	100.08	103.18	03.45	97.00	88.89	107.39	88.89 to 107.39	506,516	522,625
01-JUL-10 To 30-SEP-10	7	95.15	94.42	94.80	06.00	99.60	80.00	104.62	80.00 to 104.62	499,643	473,652
01-OCT-10 To 31-DEC-10	6	97.82	97.34	97.85	03.57	99.48	92.00	102.86	92.00 to 102.86	1,745,000	1,707,500
01-JAN-11 To 31-MAR-11	2	89.13	89.13	91.50	11.02	97.41	79.31	98.95	N/A	382,500	350,000
01-APR-11 To 30-JUN-11	10	98.01	91.29	88.81	10.14	102.79	71.58	108.01	72.12 to 100.00	2,043,125	1,814,557
<u>Study Yrs</u>											
01-JUL-08 To 30-JUN-09	32	95.02	93.12	86.99	10.44	107.05	63.22	135.42	88.18 to 98.78	1,337,373	1,163,439
01-JUL-09 To 30-JUN-10	27	100.00	100.08	100.58	05.75	99.50	83.51	120.54	97.65 to 101.98	1,196,596	1,203,507
01-JUL-10 To 30-JUN-11	25	96.82	93.44	92.16	07.54	101.39	71.58	108.01	92.00 to 99.64	1,406,550	1,296,245
<u>Calendar Yrs</u>											
01-JAN-09 To 31-DEC-09	21	100.00	99.79	100.62	08.40	99.18	78.13	120.54	89.34 to 106.25	1,497,689	1,506,938
01-JAN-10 To 31-DEC-10	27	97.65	96.60	96.81	05.11	99.78	80.00	107.39	93.55 to 100.00	807,986	782,243
<u>ALL</u>	84	97.87	95.45	92.62	08.41	103.06	63.22	135.42	95.15 to 100.00	1,312,712	1,215,844

VALUATION GROUPING

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
Blank	84	97.87	95.45	92.62	08.41	103.06	63.22	135.42	95.15 to 100.00	1,312,712	1,215,844
<u>ALL</u>	84	97.87	95.45	92.62	08.41	103.06	63.22	135.42	95.15 to 100.00	1,312,712	1,215,844

PROPERTY TYPE *

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
02	6	99.05	95.31	91.07	04.51	104.66	75.70	100.00	75.70 to 100.00	4,208,242	3,832,500
03	55	96.69	94.65	94.08	08.83	100.61	63.22	135.42	92.68 to 100.00	980,822	922,739
04	23	98.78	97.42	91.35	08.33	106.64	78.13	120.54	94.00 to 104.53	1,351,006	1,234,140
<u>ALL</u>	84	97.87	95.45	92.62	08.41	103.06	63.22	135.42	95.15 to 100.00	1,312,712	1,215,844

77 Sarpy
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 : 84
Total Sales Price : 110,267,800
Total Adj. Sales Price : 110,267,800
Total Assessed Value : 102,130,870
Avg. Adj. Sales Price : 1,312,712
Avg. Assessed Value : 1,215,844

MEDIAN : 98
WGT. MEAN : 93
MEAN : 95
COD : 08.41
PRD : 103.06

COV : 12.23
STD : 11.67
Avg. Abs. Dev : 08.23
MAX Sales Ratio : 135.42
MIN Sales Ratio : 63.22

95% Median C.I. : 95.15 to 100.00
95% Wgt. Mean C.I. : 87.32 to 97.92
95% Mean C.I. : 92.95 to 97.95

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SALE PRICE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
___Low \$ Ranges___												
Less Than 5,000												
Less Than 15,000	2	101.67	101.67	101.25	01.64	100.41	100.00	103.33	N/A	8,000	8,100	
Less Than 30,000	2	101.67	101.67	101.25	01.64	100.41	100.00	103.33	N/A	8,000	8,100	
___Ranges Excl. Low \$___												
Greater Than 4,999	84	97.87	95.45	92.62	08.41	103.06	63.22	135.42	95.15 to 100.00	1,312,712	1,215,844	
Greater Than 14,999	82	97.64	95.30	92.62	08.54	102.89	63.22	135.42	94.74 to 99.64	1,344,534	1,245,301	
Greater Than 29,999	82	97.64	95.30	92.62	08.54	102.89	63.22	135.42	94.74 to 99.64	1,344,534	1,245,301	
___Incremental Ranges___												
0 TO 4,999												
5,000 TO 14,999	2	101.67	101.67	101.25	01.64	100.41	100.00	103.33	N/A	8,000	8,100	
15,000 TO 29,999												
30,000 TO 59,999	1	100.00	100.00	100.00	00.00	100.00	100.00	100.00	N/A	50,000	50,000	
60,000 TO 99,999	7	99.27	96.45	97.29	14.07	99.14	63.22	135.42	63.22 to 135.42	73,786	71,786	
100,000 TO 149,999	5	100.00	95.58	95.59	04.42	99.99	77.91	100.00	N/A	115,100	110,020	
150,000 TO 249,999	13	100.00	97.04	96.21	07.14	100.86	72.12	116.13	88.89 to 102.86	188,150	181,021	
250,000 TO 499,999	14	96.06	94.02	93.46	06.62	100.60	71.58	104.76	86.80 to 100.00	376,786	352,143	
500,000 TO 999,999	16	98.03	96.52	97.32	05.30	99.18	78.13	111.44	92.68 to 100.00	656,344	638,754	
1,000,000 +	26	93.80	93.82	91.88	11.19	102.11	65.52	120.54	88.58 to 99.64	3,495,667	3,211,874	
___ALL___	84	97.87	95.45	92.62	08.41	103.06	63.22	135.42	95.15 to 100.00	1,312,712	1,215,844	

77 Sarpy
COMMERCIAL

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95% Mean C.I. : 92.95 to 97.95

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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
Blank	4	103.83	98.98	101.29	12.62	97.72	72.12	116.13	N/A	1,995,000	2,020,642
303	1	88.89	88.89	88.89	00.00	100.00	88.89	88.89	N/A	225,000	200,000
304	2	94.06	94.06	92.16	05.02	102.06	89.34	98.77	N/A	846,361	780,000
311	1	95.15	95.15	95.15	00.00	100.00	95.15	95.15	N/A	515,000	490,000
326	2	100.00	100.00	100.00	00.00	100.00	100.00	100.00	N/A	158,750	158,750
341	1	107.81	107.81	107.81	00.00	100.00	107.81	107.81	N/A	2,689,998	2,900,000
343	1	83.51	83.51	83.51	00.00	100.00	83.51	83.51	N/A	1,868,000	1,560,000
344	6	99.35	104.55	108.82	14.16	96.08	80.00	135.42	80.00 to 135.42	1,138,500	1,238,917
349	1	97.24	97.24	97.24	00.00	100.00	97.24	97.24	N/A	6,512,500	6,333,000
350	1	92.86	92.86	92.86	00.00	100.00	92.86	92.86	N/A	350,000	325,000
352	7	98.76	95.06	91.09	04.63	104.36	75.70	100.00	75.70 to 100.00	3,629,207	3,305,714
353	8	100.00	94.18	99.15	08.90	94.99	63.22	106.25	63.22 to 106.25	241,500	239,450
384	1	99.27	99.27	99.27	00.00	100.00	99.27	99.27	N/A	68,500	68,000
386	3	100.00	105.79	110.81	07.91	95.47	96.82	120.54	N/A	670,833	743,333
392	2	97.65	97.65	97.03	02.42	100.64	95.29	100.00	N/A	311,250	302,000
406	10	98.81	95.17	85.32	07.70	111.54	79.31	107.39	79.82 to 104.76	1,978,213	1,687,794
410	1	96.00	96.00	96.00	00.00	100.00	96.00	96.00	N/A	2,500,000	2,400,000
412	10	89.72	87.11	83.61	10.20	104.19	65.52	100.83	71.58 to 98.40	1,419,700	1,187,000
426	5	88.18	93.02	89.97	06.14	103.39	86.80	101.98	N/A	389,000	350,000
442	2	96.34	96.34	93.72	03.80	102.80	92.68	100.00	N/A	350,000	328,033
453	2	89.86	89.86	86.47	10.12	103.92	80.77	98.95	N/A	757,500	655,000
470	4	101.67	99.97	94.60	03.90	105.68	92.00	104.53	N/A	402,000	380,300
494	1	108.11	108.11	108.11	00.00	100.00	108.11	108.11	N/A	1,850,000	2,000,000
528	3	93.46	88.53	87.77	05.66	100.87	78.13	94.00	N/A	501,333	440,000
531	5	96.69	96.12	93.29	07.55	103.03	83.50	111.44	N/A	1,129,000	1,053,299
<u>ALL</u>	<u>84</u>	<u>97.87</u>	<u>95.45</u>	<u>92.62</u>	<u>08.41</u>	<u>103.06</u>	<u>63.22</u>	<u>135.42</u>	<u>95.15 to 100.00</u>	<u>1,312,712</u>	<u>1,215,844</u>

**2012 Correlation Section
for Sarpy County**

A. Commercial Real Property

The Sarpy County Assessor analyzes the commercial property in the context of general occupancy groupings rather than by specific geographical locations. General groups include warehouses, retail shopping, office buildings, apartments, and industrial. The county analyzes these groupings of commercial properties annually and reappraisals are completed based on market indication and by cyclical schedules to revalue.

For 2012 the multifamily dwellings and apartments were reviewed and ultimately reappraised. The relatively narrow spread in the ratios indicated by the coefficient of dispersion for the multifamily property type reflects the reappraisal efforts. The measures of central tendency are generally within the acceptable range, the upper and lower bounds of the confidence interval are also contained within the acceptable range, and the coefficient of dispersion indicates a reasonable variation of the ratios.

The sample of sales is considered to be statistically adequate and representative of the population of parcels, therefore the median ratio of 98% is relied upon as a valid indicator of the level of value. The frequency of physical reviews and reappraisals, the similar treatment of sold and unsold properties, and the indication of the quality statistics both support the determination that the quality of assessment in Sarpy County is in compliance.

**2012 Correlation Section
for Sarpy 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 Sarpy 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 Sarpy 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 Sarpy 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 Sarpy County

For 2012 the Sarpy County conducted a market analysis using uninfluenced sales from similar counties along the Missouri River. Using these sales from Nemaha, Otoe, Richardson and Burt Counties, the county completed a ratio study using the land classification groupings multiplied by the Sarpy County schedule of land values to develop assessed values for each sale. The value was then divided by the sale price to develop a ratio. Statistics calculated from the ratios were studied by majority land use and used to develop the 2012 schedule of special values for agricultural land.

The study resulted in increases of approximately 14% for the irrigated land and dry land while the grass increased approximately 17%.

2012 Agricultural Assessment Survey for Sarpy County

1.	Valuation data collection done by:	
	Staff appraiser	
2.	List each market area, and describe the location and the specific characteristics that make each unique.	
	Market Area	Description of unique characteristics
	Special Valuation	One market exists within Sarpy County for agricultural special valuation
	FRM	Agricultural parcels greater than 20 acres
	FRM 1	Agricultural parcels less than 20 acres
	FRM 2	Agricultural parcels with a commercial or industrial component
	FRMD	Agricultural parcels with high density development certainty, and along major corridors.
	FRMF	Agricultural parcels with floodway impact
	FRML	Agricultural parcels within ALPR market area, which represents market value
3.	Describe the process that is used to determine and monitor market areas.	
	The county conducts analysis of sales and market conditions. Title 350, Chapter 50-001.18	
4.	Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land.	
	<ol style="list-style-type: none"> 1. Use of the parcel is identified 2. Market area is identified based on use 3. Conduct sales and market analysis 4. Apply valuation 	
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. The market is similar	
6.	What process is used to annually update land use? (Physical inspection, FSA maps, etc.)	
	Physical inspection, FSA maps, aerial photos, interviews with the landowner.	
7.	Describe the process used to identify and monitor the influence of non-agricultural characteristics.	
	1- Agricultural land characteristics are soil type and land use.	

	2- Non-agricultural land is based on characteristics found to be significant within the market. Some items considered, but not limited to, are parcel use, parcel type, location, geographic characteristics, zoning, city size, etc.
8.	Have special valuation applications been filed in the county? If yes, is there a value difference for the special valuation parcels.
	Yes. Special valuation values are considerably less than market values.
9.	How do you determine whether a sold parcel is substantially changed?
	Verification of the property characteristic data as of the date of sale establishes what sold for what price. If property characteristics changed after that date and the changed influenced its market value, it is determined to be substantially changed.

Sarpy County 2012 Average LCG Value Comparison

	County	Mkt Area	1A1	1A	2A1	2A	3A1	3A	4A1	4A	AVG IRR
77.10	Sarpy	1	3,652	3,525	3,166	2,955	2,622	2,448	1,943	1,667	3,001
28.10	Douglas	1	3,000	3,000	2,996	3,000	3,000	3,000	3,000	3,000	3,000
13.54	Cass	54	3,510	3,400	2,990	2,990	2,430	2,430	2,200	1,740	3,133
74.50	Richardson	50	3,500	3,435	2,997	3,100	2,718	2,300	1,800	1,750	2,910
78.20	Saunders	2	4,213	3,865	3,815	3,614	3,415	2,805	2,440	2,514	3,916
78.30	Saunders	3	3,815	3,568	3,476	2,975	2,526	2,186	1,819	1,800	2,829
66.80	Otoe	8000	3,630	3,630	3,360	2,750	2,750	2,750	2,090	1,210	2,895
64.83	Nemaha	8300	2,951	3,122	2,458	2,806	2,022	2,541	1,412	1,248	2,413

	County	Mkt Area	1D1	1D	2D1	2D	3D1	3D	4D1	4D	AVG DRY
	Sarpy	1	3,628	3,502	3,142	2,928	2,598	2,409	1,679	1,429	2,830
	Douglas	1	2,899	2,899	2,898	2,897	2,900	2,898	2,899	2,898	2,899
	Cass	54	2,790	2,770	2,660	2,370	2,250	2,250	2,310	1,900	2,515
	Richardson	50	3,074	2,874	2,523	2,592	2,473	2,446	2,095	1,649	2,535
	Saunders	2	3,974	3,750	3,602	3,436	3,238	2,789	2,350	2,407	3,589
	Saunders	3	3,499	3,256	3,184	2,715	2,272	1,941	1,629	1,634	2,307
	Otoe	8000	3,300	3,300	3,050	2,500	2,500	2,500	1,900	1,100	2,581
	Nemaha	8300	2,933	2,991	2,652	2,038	1,718	2,267	1,471	1,018	2,160

	County	Mkt Area	1G1	1G	2G1	2G	3G1	3G	4G1	4G	AVG GRASS
	Sarpy	1	1,730	1,600	1,519	1,388	1,338	1,210	1,078	989	1,295
	Douglas	1	1,400	1,390	1,400	1,400	1,400	1,400	1,399	1,391	1,396
	Cass	54	1,030	1,060	970	790	860	860	830	630	833
	Richardson	50	1,032	1,140	871	973	928	879	829	700	864
	Saunders	2	1,581	1,378	1,017	1,674	1,076	962	892	608	1,155
	Saunders	3	1,325	1,188	1,435	1,118	1,284	1,168	700	613	983
	Otoe	8000	1,217	1,232	1,174	1,282	1,140	1,111	1,037	729	1,084
	Nemaha	8300	1,763	2,031	1,906	1,162	1,200	1,158	977	830	1,170

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

SARPY COUNTY ASSESSOR - Standard Operating Procedure

Date: February 28, 2012

SPECIAL VALUATION METHODOLOGY

OBJECTIVE: To establish the policy and method of valuing improved and unimproved farm land.

REFERENCE: NEBRASKA ADMINISTRATIVE CODE TITLE 350
CHAPTER 11 (03/15/2009)
CHAPTER 14 (03/15/2009)

POLICY: Sarpy County is influenced by market forces outside of the typical agricultural market. The influences are residential, commercial and recreational in nature. Therefore, the total of Sarpy County is covered under the Agricultural and Horticultural Special Valuation program.

MARKET AREAS: There is one agricultural market area within Sarpy County.

METHODOLOGY: Each farm parcel is to have a periodic inspection with all site improvements documented on the property record file. The land portion of the property record file is to be inventoried based upon its actual use and soil classification. As documented in Title 350 Chapter 14 of the Nebraska Administrative Code. The identified uses need to be classified as an agricultural purpose or other land uses.

VALUATION:

AGRICULTURAL LAND VALUATION: Sarpy County has no sales that are purely for an agricultural purpose. Therefore, Sarpy County relies on sales information received from the Property Assessment Division of the Nebraska Department of Revenue. For 2012, the PAD selected comparable counties from which to draw land sales that were analyzed to establish the agricultural special valuation.

OTHER LAND USE VALUATION: The uses that are not agricultural or horticultural land are to be valued at 100% market value. The uses are identified, most typically as residential, commercial or recreational. Once identified, the area values will be arrived at by applying the same policies and practices that are used in valuing their counter parts that are not enrolled in the Special Valuation Program.

APPROVED:



DATED: 2/28/2012

COUNTY REPORT OF THE 2012 SPECIAL VALUATION PROCESS

SARPY

B

2011 ABSTRACT DATA		2012 ABSTRACT DATA		Rates Used	
MAJOR AGLAND USE	2011 % of ALL CLASSIFIED AGLAND	2011 ABSTRACT ACRES	2012 % of ALL CLASSIFIED AGLAND	2012 ABSTRACT ACRES	ESTIMATED CORRELATED RATE (for each major land use)
Irrigated	6.99%	6,225	7.15%	6,365	IRRIGATED RATE 6.40%
Dryland	74.54%	66,365	74.17%	66,047	DRYLAND RATE 4.55%
Grassland	7.96%	7,084	8.05%	7,169	GRASS RATE 3.50%
* Waste	3.06%	2,725	3.17%	2,819	
* Other	7.45%	6,635	7.46%	6,642	
All Agland	100.00%	89,034	100.00%	89,043	
Non-Agland		10			

PRELIMINARY LEVEL OF VALUE BASED ON THE 2011 ABSTRACT

Estimated Rent	2011 ADJ Assessed Value	USE	Estimated Value	Average Rent per Acre	Preliminary Indicated Level of Value
1,611,387	16,087,528	IRRIGATED	25,177,919	258.87	63.90%
11,671,491	161,735,614	DRYLAND	256,516,283	175.87	63.05%
393,907	7,652,005	GRASSLAND	11,254,476	55.60	67.99%
13,676,784	185,475,147	All IRR-DRY-GRASS	292,948,678	171.66	63.31%

ESTIMATED LEVEL OF VALUE BASED ON THE 2012 ABSTRACT

Estimated Rent	2012 ADJ Assessed Value	USE	Estimated Value	Average Rent per Acre	2012 Indicated Level of Value
1,647,786	19,092,864	IRRIGATED	25,746,658	258.87	74.16%
11,615,551	186,816,472	DRYLAND	255,286,837	175.87	73.18%
398,637	9,280,037	GRASSLAND	11,389,626	55.60	81.48%
13,661,974	215,189,373	All IRR-DRY-GRASS	292,423,121	171.66	73.59%

CHANGES BY AVERAGE VALUE PER ACRE FOR EACH MAJOR USE

Average Value Per Acre of IRRIGATED Agricultural Land - Special Valuation			Average Value Per Acre of DRY Agricultural Land - Special Valuation			Average Value Per Acre of GRASS Agricultural Land - Special Valuation		
2011	@ \$	2,584.44	2011	@ \$	2,437.05	2011	@ \$	1,080.17
2012	@ \$	2,999.49	2012	@ \$	2,828.52	2012	@ \$	1,294.44
PERCENT CHANGE	=	16.06%	PERCENT CHANGE	=	16.06%	PERCENT CHANGE	=	19.84%

NOTES:

* Waste and other classes are excluded from the measurement process.

**2012 Correlation Section
for Sarpy County**

A. Agricultural Land

Agricultural Land in this county is determined to be completely influenced by non-agricultural factors and valued primarily using special valuation. Therefore, measurement is not conducted on the influenced valuation for agricultural land.

A1. Correlation for Special Valuation of Agricultural Land

The special valuation in Sarpy County was analyzed using assessment-to-sales ratios developed using sale data from uninfluenced counties considered comparable to Sarpy County. Income rental rates, production factors, topography, typical farming practices, proximity, and other factors were considered to determine general areas of comparability. The 2012 assessed values established by Sarpy County were used to estimate value for the uninfluenced sales and the results were analyzed against the sale prices.

Analysis is also conducted of the rental rates in the comparable counties and used to estimate the total rents per land capability grouping for the county being measured. Gross rent multipliers are determined based on an analysis of rental information from the comparable counties and market values indicated from sale prices. An assessment level is estimated by the ratio of special valuation assessment divided by the estimated agricultural land market value determination.

In comparing the average assessed values by LCG of Sarpy County to adjacent counties the comparison demonstrates the values are generally equalized. Based on this analysis it is the opinion of the PTA that the level of value of Agricultural Special Value in Sarpy County is 74%.

**2012 Correlation Section
for Sarpy 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 Sarpy 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 Sarpy 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 Sarpy 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 : 58,436	Value : 11,044,969,518	Growth 195,575,238	Sum Lines 17, 25, & 41
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Schedule I : Non-Agricultural Records

	Urban		SubUrban		Rural		Total		Growth
	Records	Value	Records	Value	Records	Value	Records	Value	
01. Res UnImp Land	691	11,076,025	2,700	46,545,400	1,408	30,991,958	4,799	88,613,383	
02. Res Improve Land	27,019	638,617,033	10,669	360,271,235	10,031	370,857,750	47,719	1,369,746,018	
03. Res Improvements	27,561	3,174,670,145	10,713	1,846,454,518	10,086	1,543,567,982	48,360	6,564,692,645	
04. Res Total	28,252	3,824,363,203	13,413	2,253,271,153	11,494	1,945,417,690	53,159	8,023,052,046	153,248,847
% of Res Total	53.15	47.67	25.23	28.08	21.62	24.25	90.97	72.64	78.36
05. Com UnImp Land	297	54,044,021	180	35,941,055	80	17,981,264	557	107,966,340	
06. Com Improve Land	1,113	291,057,239	106	49,276,254	105	44,337,756	1,324	384,671,249	
07. Com Improvements	1,130	1,011,714,675	111	231,674,012	111	116,824,763	1,352	1,360,213,450	
08. Com Total	1,427	1,356,815,935	291	316,891,321	191	179,143,783	1,909	1,852,851,039	30,318,428
% of Com Total	74.75	73.23	15.24	17.10	10.01	9.67	3.27	16.78	15.50
09. Ind UnImp Land	89	10,330,669	48	4,435,754	108	13,830,242	245	28,596,665	
10. Ind Improve Land	261	45,087,846	103	27,673,320	275	96,089,707	639	168,850,873	
11. Ind Improvements	262	140,703,443	103	77,567,315	276	299,063,582	641	517,334,340	
12. Ind Total	351	196,121,958	151	109,676,389	384	408,983,531	886	714,781,878	5,522,460
% of Ind Total	39.62	27.44	17.04	15.34	43.34	57.22	1.52	6.47	2.82
13. Rec UnImp Land	0	0	20	1,015,838	92	5,154,715	112	6,170,553	
14. Rec Improve Land	0	0	1	160,930	32	1,512,251	33	1,673,181	
15. Rec Improvements	0	0	1	44,381	332	7,233,804	333	7,278,185	
16. Rec Total	0	0	21	1,221,149	424	13,900,770	445	15,121,919	139,717
% of Rec Total	0.00	0.00	4.72	8.08	95.28	91.92	0.76	0.14	0.07
Res & Rec Total	28,252	3,824,363,203	13,434	2,254,492,302	11,918	1,959,318,460	53,604	8,038,173,965	153,388,564
% of Res & Rec Total	52.71	47.58	25.06	28.05	22.23	24.38	91.73	72.78	78.43
Com & Ind Total	1,778	1,552,937,893	442	426,567,710	575	588,127,314	2,795	2,567,632,917	35,840,888
% of Com & Ind Total	63.61	60.48	15.81	16.61	20.57	22.91	4.78	23.25	18.33
17. Taxable Total	30,030	5,377,301,096	13,876	2,681,060,012	12,493	2,547,445,774	56,399	10,605,806,882	189,229,452
% of Taxable Total	53.25	50.70	24.60	25.28	22.15	24.02	96.51	96.02	96.76

Schedule II : Tax Increment Financing (TIF)

	Urban			SubUrban		
	Records	Value Base	Value Excess	Records	Value Base	Value Excess
18. Residential	10	68,467	1,867,326	0	0	0
19. Commercial	12	2,637,089	15,602,787	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	10	68,467	1,867,326
19. Commercial	0	0	0	12	2,637,089	15,602,787
20. Industrial	0	0	0	0	0	0
21. Other	0	0	0	0	0	0
22. Total Sch II				22	2,705,556	17,470,113

Schedule III : Mineral Interest Records

Mineral Interest	Urban		SubUrban		Rural		Total		Growth
	Records	Value	Records	Value	Records	Value	Records	Value	
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	1,019	621	579	2,219

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	1	112,376	459	32,260,122	691	94,327,780	1,151	126,700,278
28. Ag-Improved Land	0	0	198	36,930,945	676	115,851,128	874	152,782,073
29. Ag Improvements	0	0	199	32,271,367	687	127,408,918	886	159,680,285
30. Ag Total							2,037	439,162,636

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	157	0.00	28,242,558	
34. HomeSite Total							
35. FarmSite UnImp Land	1	1.10	47,916	34	48.98	522,809	
36. FarmSite Improv Land	0	0.00	0	193	613.51	13,062,867	
37. FarmSite Improvements	0	0.00	0	137	0.00	4,028,809	
38. FarmSite Total							
39. Road & Ditches	0	0.00	0	0	1.53	0	
40. Other- Non Ag Use	0	0.00	0	0	1.11	89	
	Records	Acres	Value	Records	Acres	Value	Growth
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	583	0.00	111,246,367	740	0.00	139,488,925	6,345,786
34. HomeSite Total				740	0.00	139,488,925	
35. FarmSite UnImp Land	110	584.32	2,676,621	145	634.40	3,247,346	
36. FarmSite Improv Land	652	1,947.37	44,724,553	845	2,560.88	57,787,420	
37. FarmSite Improvements	494	0.00	16,162,551	631	0.00	20,191,360	0
38. FarmSite Total				776	3,195.28	81,226,126	
39. Road & Ditches	0	0.34	0	0	1.87	0	
40. Other- Non Ag Use	0	4.60	368	0	5.71	457	
41. Total Section VI				1,516	3,202.86	220,715,508	6,345,786

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	1	0.00	38,200	1	0.00	38,200

Schedule VIII : Agricultural Records : Special Value

	Urban			SubUrban		
	Records	Acres	Value	Records	Acres	Value
43. Special Value	1	22.88	64,460	637	21,599.00	55,512,386
44. Recapture Value N/A	1	22.88	996,652	637	21,599.00	233,890,153
	Rural			Total		
	Records	Acres	Value	Records	Acres	Value
43. Special Value	1,361	67,336.80	162,729,128	1,999	88,958.68	218,305,974
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	796.01	12.51%	2,907,030	15.22%	3,652.00
46. 1A	541.99	8.51%	1,910,524	10.00%	3,525.02
47. 2A1	583.80	9.17%	1,848,316	9.68%	3,166.01
48. 2A	3,089.92	48.54%	9,130,724	47.80%	2,955.00
49. 3A1	834.36	13.11%	2,187,690	11.45%	2,622.00
50. 3A	268.96	4.23%	658,413	3.45%	2,448.00
51. 4A1	150.37	2.36%	292,169	1.53%	1,943.00
52. 4A	99.97	1.57%	166,651	0.87%	1,667.01
53. Total	6,365.38	100.00%	19,101,517	100.00%	3,000.84
Dry					
54. 1D1	2,745.95	4.16%	9,962,303	5.33%	3,628.00
55. 1D	19,299.06	29.22%	67,585,317	36.16%	3,502.00
56. 2D1	1,279.60	1.94%	4,020,508	2.15%	3,142.00
57. 2D	5,795.06	8.77%	16,967,951	9.08%	2,928.00
58. 3D1	28,584.98	43.28%	74,263,800	39.73%	2,598.00
59. 3D	426.72	0.65%	1,027,971	0.55%	2,409.01
60. 4D1	7,054.64	10.68%	11,844,742	6.34%	1,679.00
61. 4D	861.35	1.30%	1,230,876	0.66%	1,429.01
62. Total	66,047.36	100.00%	186,903,468	100.00%	2,829.84
Grass					
63. 1G1	251.65	3.51%	435,363	4.69%	1,730.03
64. 1G	1,350.10	18.83%	2,160,160	23.27%	1,600.00
65. 2G1	96.43	1.35%	146,476	1.58%	1,518.99
66. 2G	332.10	4.63%	460,953	4.96%	1,387.99
67. 3G1	2,277.81	31.77%	3,047,726	32.83%	1,338.01
68. 3G	166.89	2.33%	201,937	2.18%	1,210.00
69. 4G1	1,876.28	26.17%	2,022,636	21.79%	1,078.00
70. 4G	817.90	11.41%	808,902	8.71%	989.00
71. Total	7,169.16	100.00%	9,284,153	100.00%	1,295.01
Irrigated Total					
	6,365.38	7.15%	19,101,517	8.74%	3,000.84
Dry Total					
	66,047.36	74.17%	186,903,468	85.56%	2,829.84
Grass Total					
	7,169.16	8.05%	9,284,153	4.25%	1,295.01
72. Waste	2,818.87	3.17%	229,787	0.11%	81.52
73. Other	6,642.25	7.46%	2,928,203	1.34%	440.85
74. Exempt	94.89	0.11%	0	0.00%	0.00
75. Market Area Total	89,043.02	100.00%	218,447,128	100.00%	2,453.28

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	0.00	0	891.34	2,662,118	5,474.04	16,439,399	6,365.38	19,101,517
77. Dry Land	22.88	64,460	17,687.82	50,505,444	48,336.66	136,333,564	66,047.36	186,903,468
78. Grass	0.00	0	1,479.19	1,970,603	5,689.97	7,313,550	7,169.16	9,284,153
79. Waste	0.00	0	611.27	53,179	2,207.60	176,608	2,818.87	229,787
80. Other	0.00	0	1,003.61	413,958	5,638.64	2,514,245	6,642.25	2,928,203
81. Exempt	0.00	0	94.89	0	0.00	0	94.89	0
82. Total	22.88	64,460	21,673.23	55,605,302	67,346.91	162,777,366	89,043.02	218,447,128

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	6,365.38	7.15%	19,101,517	8.74%	3,000.84
Dry Land	66,047.36	74.17%	186,903,468	85.56%	2,829.84
Grass	7,169.16	8.05%	9,284,153	4.25%	1,295.01
Waste	2,818.87	3.17%	229,787	0.11%	81.52
Other	6,642.25	7.46%	2,928,203	1.34%	440.85
Exempt	94.89	0.11%	0	0.00%	0.00
Total	89,043.02	100.00%	218,447,128	100.00%	2,453.28

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

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	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	7,952,622,260	8,023,052,046	70,429,786	0.89%	153,248,847	-1.04%
02. Recreational	16,643,515	15,121,919	-1,521,596	-9.14%	139,717	-9.98%
03. Ag-Homesite Land, Ag-Res Dwelling	137,201,413	139,488,925	2,287,512	1.67%	6,345,786	-2.96%
04. Total Residential (sum lines 1-3)	8,106,467,188	8,177,662,890	71,195,702	0.88%	159,734,350	-1.09%
05. Commercial	1,784,091,702	1,852,851,039	68,759,337	3.85%	30,318,428	2.15%
06. Industrial	709,055,296	714,781,878	5,726,582	0.81%	5,522,460	0.03%
07. Ag-Farmsite Land, Outbuildings	79,927,245	81,226,126	1,298,881	1.63%	0	1.63%
08. Minerals	0	0	0		0	
09. Total Commercial (sum lines 5-8)	2,573,074,243	2,648,859,043	75,784,800	2.95%	35,840,888	1.55%
10. Total Non-Agland Real Property	10,679,541,431	10,826,522,390	146,980,959	1.38%	195,575,238	-0.46%
11. Irrigated	16,357,989	19,101,517	2,743,528	16.77%		
12. Dryland	161,230,776	186,903,468	25,672,692	15.92%		
13. Grassland	10,198,214	9,284,153	-914,061	-8.96%		
14. Wasteland	232,772	229,787	-2,985	-1.28%		
15. Other Agland	1,748	2,928,203	2,926,455	167,417.33%		
16. Total Agricultural Land	188,021,499	218,447,128	30,425,629	16.18%		
17. Total Value of all Real Property (Locally Assessed)	10,867,562,930	11,044,969,518	177,406,588	1.63%	195,575,238	-0.17%

Three Year Plan of Assessment for Sarpy County October 31, 2011

Introduction

Pursuant to NEB. Laws 2005, LB 263, Section 9, on or before June 15th each year, the assessor shall prepare a plan of assessment, which describes the assessment actions planned for the next assessment year and two years thereafter. The plan shall indicate 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 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 31st of each year, the assessor shall present the plan to the county board of equalization and the assessor shall amend the plan, if necessary, after the budget is approved by the county board. A copy of the plan and any amendments thereto shall be mailed to the Department of Property Assessment and Taxation on or before October 31st of each year.

Duties of the County Assessor

The duties of the county assessor are stated in the Nebraska State Statutes, 77-1311. Along with the general supervision and the direction of the assessment of all taxable property in the county, the assessor is responsible for the following:

- Annually revise the real property assessments for the correction of errors and equitably portion valuations.
- Obey all rules and regulations made under Chapter 77 and the instructions and orders sent by the Property Tax Administrator and the Tax Equalization and Review Commission.
- Examine records from the offices of the register of deeds, county clerk, county judge, and the clerk of the district court for proper ownership of property.
- Prepare the assessment roll.
- Provide public access to records.
- Submit a plan of assessment to the county board and the division of property assessment.

Real Property Assessment Requirements

All property in the State of Nebraska is subject to property tax unless expressly exempt by Nebraska Constitution, Article VIII, or is permitted by the constitution and enabling legislation adopted by the legislature. The uniform standard for the assessed value of real property for tax purposes is actual value, which 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:

- 100% of actual value for all classes of real property excl; agricultural and horticultural land.
- 75% of actual value for agricultural and horticultural land.
- 75% of special value for agricultural and horticultural land which meets qualifications for special valuation under 77-1344 and 75% if its recapture value as defined in 77-1343 when the land is disqualified for special valuation under 77-1347.

General Description of Real Property in Sarpy County

	<u>Parcels</u>	<u>% of total parcels</u>
Residential	52,970	91
Commercial	1,919	3
Industrial	884	2
Recreational	470	1
Agricultural	2,007	3

91% of the parcels are coded as residential property; commercial/Industrial parcels make up 5%; agricultural is at 3%. In 2009/2010, building permits in Sarpy County were issued as follows:

		Permits issued from 1/01/2009 to 9/12/2010
Residential	4,270	
Commercial	357	
Industrial	108	
Agricultural	99	

Current Resources

The Sarpy County Assessor's office is currently staffed as follows:

- (1) Elected County Assessor
- (1) Chief Deputy Assessor
- (9) Real Estate Appraisers
- (8) Administrative Staff

Cadastral Mapping

Cadastral mapping is accomplished through our Geographic Information System. Technical support is provided by the Sarpy County Information Systems Department. The assessor has two people on staff with advanced mapping skills. Maps are provided to the public via the internet. The I.A.A.O. recommends keeping printed quarter sheets on hand. Our quarter sheets are kept in the office of the register of deeds and are available for public viewing.

Computer Assisted Mass Appraisal (CAMA)

Automated Systems, Inc provides the Terra Scan CAMA Software Package along with updates to Terra Scan and the Marshall-Swift Cost Data. The sketching section of Terra Scan is not adequate for our needs and is not used. Sketching is accomplished through a separate software program named Apex. CAMA data populates the parcel look-up section of the county website.

Geographic Information System

The GIS system is controlled by our Information Systems Department with the assessor having use of ArcViewer and ArcReader. This provides our appraisers with tools for plotting sales, permits, identify areas for reappraisal, etc. Maps are helpful for explaining assessment practices to property owners and county board members.

In 2010, we began working with oblique imagery from aerial photographs. We are working toward the goal of performing re-appraisals from our desk tops.

Internet Access to County Information

Much of the contents from assessment records are on the internet in the form of free public information and premium services. It is the policy of the Information Systems Department to charge a fee for some assessment information and for the generation of custom reports. The public use of the Sarpy County Website has increased each year.

In 2010, we added internet access to previous year's Nebraska Personal Property Schedules in order to expedite the annual filings with our office. Post card reminders of important filing dates were also added into our Standard Operating Procedures. The response to this service has been positive with requests for on-line filing of personal property schedules.

Current Assessment Procedures for Real Property

The population of Sarpy County continues to grow rapidly as evidenced by the numbers issued by the U.S. Census and the increase in permits for the construction of new homes, apartments, and commercial buildings. Agricultural land is being platted for residential development with a complimenting number of commercial plattings to support the population growth throughout the county. Currently, the largest population growth is in the rural (unincorporated) areas of Sarpy County.

The number of deeds filed with the register of deeds office has shown a slight increase over this time last year. All sales of real property are noted and submitted to an extensive sales verification process before they are considered an arms-length transaction.

Copies of building permits are submitted to our office with the major permits (new construction, building additions, etc.) receiving prompt attention. The minor building permits (decks, sheds, patios, etc.) are generally addressed when we re-inspect the sub-division or market area. We are always collecting income and expense data for one or more classes of commercial properties to be appraised.

New construction in the rural areas of Sarpy County often takes place without a building permit. The review and comparison of aerial photography along with physical inspection is necessary to collect data for listing and valuation. Inspections in the years 2009 and 2010 indicate a great need for increasing our property inspection efforts in the rural areas. Efforts to catch-up on rural building permits for the 2011 values confirms our belief that the lone staff appraiser assigned to this area is simply inadequate for the amount of work involved with.

Review of Assessment Sales Ratio Studies before Assessment Actions

Ratio studies are performed during the year to determine the level of our assessments in individual market areas. This serves as an indicator of possible inspection and re-valuation needs in a specific area. While statistical studies are performed in-house, we work from the preliminary statistics issued by the Property Assessment Division.

Approaches to Value

Residential assessed values are determined by using a cost approach to value adjusted to the market via depreciation tables. The depreciation tables are derived from sales analysis. Our office uses two years worth of qualified sales as the market data for our statistical analysis and measurement.

We rely on the local real estate market, interviews with local mortgage lenders, real estate appraisers, real estate developers, and national real estate publications to assist us with the income approach to value on commercial properties. However, all three approaches to value are considered.

Agricultural land may receive a special valuation by enrolling in an Agricultural Special Valuation Program (greenbelt) or simply valued at 75% of market value, where applicable. There are specific requirements for receiving special valuation and the assessor must closely observe the predominant use of each parcel to be certain of agricultural or horticultural uses.

The necessity to value any land adjoining agricultural land, but not considered to be agricultural land, has been studied and valued according to the results of the study. Sales of rural parcels are applied to the models each year to determine any necessary adjustments to the values.

Reconciliation of Final Value and Documentation

Three approaches to value are generally accepted in the performance of mass appraisal. A minimum of two approaches to value is applied to every improved parcel, as appropriate, to determine fair market value.

Review Assessment Sales Ratio Studies after Assessment

Staff appraisers review their own market-area statistics before and after assessment actions. The statistics are discussed with the chief deputy assessor to determine possible actions to be taken by the appraiser.

Notices and Public Relations

Several notices or documents are sent to the property owners with regard to the taxable status of their property:

- Changes in Valuation Notices are mailed at the end of May. The Sarpy County Website provides property information, important notices, and forms.
- Permissive Exemptions are mailed on November 1st to previous filers.
- Personal Property filing reminders are mailed in April with directions for web access to the previous year’s filing.
- Homestead Exemptions are mailed at the end of January to the previous year recipients of the exemption along with those who request that forms be mailed.

Public notification takes place in a newspaper of general circulation and on the Sarpy County website. The website has an assessor’s area where frequently asked questions are answered and the assessor can be contacted via e-mail. Comments and questions via email continue to increase every year and receive prompt attention. Use of our website is encouraged at every opportunity.

Level of Value, Quality and Uniformity for Assessment Year 2011

<u>Property class</u>	<u>Median</u>	<u>COD</u>	<u>PRD</u>
Commercial	97.00	8.31	103.84
Agricultural	72		
Residential	96.00	5.01	100.57

Assessment Actions Planned for Assessment Year 2012

Residential

The majority of our appraisal assets go toward the valuation of this particular property group. However, the residential appraisal staff will be reduced by one in order to address our inspection deficiencies in the rural areas. Adding newly constructed homes will remain our highest priority along with working the high value building permits which consist of building additions and major remodeling. Efforts to inspect parcels and update our property records have increased. We are using the Omaha Area Board of Realtors Multiple Listing Service along with several "For Sale by Owner" websites to assist us in discovering improvements to real property that may be missing from our records, such as finished basement areas.

The collection of digital photos of improved parcels has not progressed as planned. Each appraiser is planning to increase their collecting of digital photos by devoting additional time to photographing entire subdivisions or market areas. Photos of the rear of a dwelling will be collected during the physical re-inspection of the market area. Frequent updating of digital photos is essential to our future plans to fully integrate aerial oblique imagery and perform desk-top appraisals.

Commercial and Industrial

The number of commercial valuations that are appealed to the Nebraska Tax Equalization and Review Commission is increasing along with the time it takes to prepare for each case. Interrogatories are often issued and must be completed by our staff appraisers with the assistance of an attorney. Many out-of-state tax representatives are representing local property owners and requesting a large amount of information for case preparation. The commercial appraisal staff continues to put forward effort toward successfully coming to an agreement on valuation with the property owner prior to a TERC hearing. Our commercial appraisers will continue to inspect and re-value several occupancy types of commercial property each year. The commercial occupancy codes to be valued for 2012 are:

1. Apartments
2. Theaters
3. Veterinary hospitals
4. Fitness centers
5. Skating rinks

Agricultural/Rural

We deal with rural valuation issues, daily. While the number of acres of agricultural land declines, the number of rural residences increases. Important TERC decisions from 2009 and 2010 indicate that our methodology in interpreting and applying our market data to a valuation model for rural sites (land adjoining agricultural that is not considered to be agricultural land) is generally sound. However, the valuation disparities with Douglas County frustrate local property owners and bring our valuations into question. In 2011, we ran sales analysis as we did in the two previous years while putting greater effort into identifying market characteristics that could help us develop either distinct, geographic market areas and/or market derived adjustments for negative or positive influences to value.

Actual farm and grazing land realized a substantial increase in the assessed value due to the much publicized increase in agricultural sale prices fueled by the poor performance of competing investments and the high commodity prices. While concern over the increase has been voiced by the rural community the property owners appear to be well aware of the market conditions. This has not prevented the perennial valuation protestors from filing with the board of equalization.

Indications are that agricultural land sales may signify the need to increase land assessed values in 2012. Statistical analysis of the sales and assessments will dictate any necessary actions to be taken.

Written requests have been issued to all planning and permitting authorities in Sarpy County for assistance in making property owners aware of the Improvement Information Statements to be filed with the assessor when a building permit is not issued for new construction.

General

We are pressing Terra Scan for the implementation of the T2 upgrade to our CAMA system. If we emerge from 2011 without a clear plan for assessor/treasurer system upgrading, we will look to other vendors for a new product.

All property owners seeking a permissive exemption from property taxes will be required to file the full Exemption Application as affidavits will not be considered as proper filings in 2012. Close scrutiny of each application is necessary and anything short of a proper filing will not be considered for an exemption by the assessor.

The Nebraska Legislature has written into law a requirement for Sarpy County to report preliminary assessed values to the public by January 15th, beginning in the year 2014. We have decided to put effort toward changing this law that we believe to be detrimental to Sarpy County.

Assessment Actions Planned for Assessment Year 2013

Residential

Indications are that Sarpy County will still be the fastest growing county in the state. The final U.S. Census numbers have us firmly above 150,000 in population. A clear trend toward population growth outside of the cities and incorporated areas means a greater focus on rural area valuation practices. We will have a sufficient population and parcel count to merit hiring an additional residential real estate appraiser. However, efforts to win the approval of our county board to authorize said hiring has not been successful.

The electronic record will be our sole property record for all properties as our old, pencil drawings will have been converted to digital drawings. Paper records are retired to the archives every month.

The assessor will continue to be an advocate for more assessment and mapping information being made available on the internet along with downloadable and/or editable forms. Residential property owners are demanding enhanced on-line tools and information for the purpose of protesting their assessed values and making comparisons with neighboring parcels. On-line review of residential property records has helped our office update the documented physical characteristics of individual parcels.

Progress toward our six-year cyclical property inspections should be realized as we have placed increased emphasis and technical resources toward the goal. We have realigned our appraisal resources to improve our inspection progress in the rural areas. Yet, it remains our conviction that to continue to be denied the addition of one residential real estate appraiser to our staff impedes important progress toward our inspection goals.

Commercial/Industrial

Additional appraisal training will be required to properly address the growing variety of commercial construction and property uses in Sarpy County and large amounts of the commercial appraiser's time will be consumed with preparing for appeals to the TERC.

The appraisers will select new occupancy codes to be re-listed and re-valued. Much of this will be driven by current market transactions and the date of last inspection.

It will likely be time to perform a land study for the purpose of determining the accuracy of the Vacant Land Discount applied to vacant lots. We are aware of an upcoming appeal to the TERC regarding our Vacant Land Discount Policy. Results of such an appeal may influence the process in the future.

Agricultural/Rural

The county board has several new commissioners and they appear to have an interest in the assessed values in the rural areas. Hopefully, the decisions handed down by the TERC in response to the challenges to our methodology will strengthen the county board's confidence in our appraisal products.

We expect some TERC appeals of the agricultural land values in spite of the well publicized inflation in selling prices. Agricultural land may be yet to realize its peak market value in our state.

The Agricultural Land Use Map that we updated in 2009 should continue to draw some objections from land owners as they become aware of the changes. We expect to be updating the land use map, frequently as we receive many requests to inspect large tracts of land.

The new soil map has been in force for over one year and still draws skepticism from farmers as to its accuracy. We continue to refer property owners to the proper governmental authorities in the soil sciences.

Reviewing the parcels receiving or requesting special valuation is ongoing. Determining agricultural or horticultural use along with the updating our Land Use maps remains essential to accurate assessed values.

Buildings constructed in the rural areas that do not require a building permit will continue to be a priority as we review the rural property characteristics documented on our records. We are hopeful that our efforts to make rural property owners familiar with the Improvement Information Statements is paying-off by fewer improvements going undocumented on assessment records.

General

The statistical measurements of the quality of assessment will continue to drive our decision making on which areas of the county need to be re-inspected. However, the rural/agricultural/recreational parcels are an exception. This group of parcels will still be in the process of improving the accuracy of our physical property characteristics.

The collection of street-level images (photos) must show some noticeable progress as many digital photos from the ground level do not exist.

Assessment Actions Planned for Assessment Year 2014

Residential

Reappraisal and re-inspection will continue as the Assessment Division of the Nebraska Dept. of Revenue will likely be inclined to question any shortcomings in complying with the statutes. We intend to be working with oblique aerial photography and updated street photos as we begin to implement the desk-top appraisal process. Much of this will depend on our progress in collecting and updating our street-level digital photos. We are relying on the success of desk-top appraisals to aid us with compliance with appraisal regulations.

Commercial/Industrial

The building of commercial buildings will likely be steady with the opening of Werner Baseball Park and the investment by the City of Gretna in the Nebraska Crossing Outlet Mall. We will likely be defending many values before the TERC as we are experiencing an increase of appeals each year. National publications of rents, vacancies, and capitalization rates will be of greater use as we start to see larger commercial/industrial concerns locate in Sarpy County. We are hopeful that our efforts at more frequent and open dialogue with property owners will increase our mutual understanding of our local market and result in valuation agreements without the need for a formal hearing.

Agricultural/Rural

This sector of our property tax base has realized some substantial increases in their land values in 2009, 2010, and 2011. Our presence in the rural areas will be more frequent and our property inspection plans, if successful, will result in a greater equalization of rural property values and reliable data on the assessment records. There will be two appraisers dedicated to rural valuation concerns, which is in line with the population growth in this area of our county.

General

The changing appraisal technology and demands for data in various forms from the assessor's office will change the way we select and utilize our human resources. The education, experience, and expertise of an assessor will be of greater importance as the department becomes compartmented into "specialties" in residential, commercial, industrial, and agricultural valuation processes. It is barely possible to predict what legislative changes will be in force. However, government shows no sign of shrinking in size and reliance upon government processes are likely to increase. We continue to educate our staff with consideration for what the future may demand.

If we have been unsuccessful in changing the state law requiring Sarpy County to report preliminary assessed values to the public by January 15th, this will be the year that the law take effect.

2012 Assessment Survey for Sarpy County

A. Staffing and Funding Information

1.	Deputy(ies) on staff:
	One
2.	Appraiser(s) on staff:
	Nine
3.	Other full-time employees:
	Eight
4.	Other part-time employees:
	None
5.	Number of shared employees:
	None
6.	Assessor's requested budget for current fiscal year:
	\$1,256,559.00
7.	Adopted budget, or granted budget if different from above:
	\$1,256,559.00
8.	Amount of the total assessor's budget set aside for appraisal work:
	The operating budget does not specify funds for appraisal work only.
9.	If appraisal/reappraisal budget is a separate levied fund, what is that amount:
	The operating budget does not specify funds for appraisal work only.
10.	Part of the assessor's budget that is dedicated to the computer system:
	\$3,800.00
11.	Amount of the assessor's budget set aside for education/workshops:
	\$6,500.00
12.	Other miscellaneous funds:
	None
13.	Amount of last year's assessor's budget not used:
	All funding was used.

B. Computer, Automation Information and GIS

1.	Administrative software:
	Terra-Scan
2.	CAMA software:
	Terra-Scan
3.	Are cadastral maps currently being used?
	Digital maps are provided through the GIS system
4.	If so, who maintains the Cadastral Maps?
	Assessor, in coordination with the GIS mapping 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?
	www.sarpy.com
7.	Who maintains the GIS software and maps?
	Information Systems Department of Sarpy County
8.	Personal Property software:
	Terra-Scan

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?
	Papillion, La Vista, Bellevue, Gretna, Springfield, Sarpy County
4.	When was zoning implemented?
	N/A

D. Contracted Services

1.	Appraisal Services:
	No outside appraisal contracts.
2.	Other services:
	Printing of valuation change notices and informational post cards.

2012 Certification for Sarpy 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 Sarpy 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

