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## 2013 Commission Summary for Butler County

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### Residential Real Property - Current

Number of Sales	166	Median	94.11
Total Sales Price	\$13,347,698	Mean	93.26
Total Adj. Sales Price	\$13,285,398	Wgt. Mean	89.84
Total Assessed Value	\$11,935,005	Average Assessed Value of the Base	\$67,316
Avg. Adj. Sales Price	\$80,033	Avg. Assessed Value	\$71,898

### Confidence Interval - Current

95% Median C.I	91.00 to 95.38
95% Wgt. Mean C.I	87.53 to 92.14
95% Mean C.I	90.82 to 95.70
% of Value of the Class of all Real Property Value in the	14.17
% of Records Sold in the Study Period	4.83
% of Value Sold in the Study Period	5.16

### Residential Real Property - History

Year	Number of Sales	LOV	Median
2012	159	93	92.75
2011	189	95	95
2010	182	95	95
2009	208	95	95

## 2013 Commission Summary for Butler County

### Commercial Real Property - Current

Number of Sales	19	Median	93.63
Total Sales Price	\$1,762,900	Mean	91.01
Total Adj. Sales Price	\$1,762,900	Wgt. Mean	88.19
Total Assessed Value	\$1,554,745	Average Assessed Value of the Base	\$181,549
Avg. Adj. Sales Price	\$92,784	Avg. Assessed Value	\$81,829

### Confidence Interval - Current

95% Median C.I	83.31 to 99.31
95% Wgt. Mean C.I	81.19 to 95.19
95% Mean C.I	84.35 to 97.67
% of Value of the Class of all Real Property Value in the County	5.18
% of Records Sold in the Study Period	4.09
% of Value Sold in the Study Period	1.84

### Commercial Real Property - History

Year	Number of Sales	LOV	Median
2012	22		96.04
2011	25		96
2010	39	94	94
2009	28	95	95



## 2013 Opinions of the Property Tax Administrator for Butler County

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

Class	Level of Value	Quality of Assessment	Non-binding recommendation
<b>Residential Real Property</b>	<b>94</b>	Meets generally accepted mass appraisal practices.	No recommendation.
<b>Commercial Real Property</b>	<b>*NEI</b>	Meets generally accepted mass appraisal practices.	No recommendation.
<b>Agricultural Land</b>	<b>72</b>	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 5th day of April, 2013.



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Ruth A. Sorensen  
Property Tax Administrator





## **2013 Residential Assessment Actions for Butler County**

For 2013, Butler County has followed their 3 Year Plan which includes the following actions:

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

The county conducted a thorough sale verification and analysis process.

For 2013, Butler County inspected and reviewed all of the residences in the towns of Abie, Bruno, and Linwood. They also completed inspections of the rural residences, and the houses and the agricultural buildings located in the northwestern part of the county which includes Geocodes 2641 and 2643. These two geocodes also contained a majority of the county's lake parcels, so they were also inspected and reviewed.

The inspection process included an off-site (drive by) review using the record cards to verify the measurements, classification and condition of the existing improvements. The county listed new unreported improvements and removed any houses or buildings from the records that had been torn down. If there was a discrepancy that required a measurement or closer inspection, they completed the process on-site. They take new photos of houses and other significant buildings.

## 2013 Residential Assessment Survey for Butler County

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

4	<b>What is the costing year of the cost approach being used for each valuation grouping?</b>
	06/2003 is the date of all residential costs
5.	<b>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?</b>
	Depreciation schedules are based on local market information.
6.	<b>Are individual depreciation tables developed for each valuation grouping?</b>
	The county develops a general physical depreciation table for use countywide. They then analyze the market of each individual valuation grouping and prepares economic and location factors to be separately applied to the parcels in each specific valuation group.
7.	<b>When were the depreciation tables last updated for each valuation grouping?</b>
	The county generally updates depreciation tables for the residential class in conjunction with area revaluations or reviews. However, all depreciation tables were updated in the residential class for 2010.
8.	<b>When was the last lot value study completed for each valuation grouping?</b>
	Lot value studies are generally conducted in conjunction with area revaluations.
9.	<b>Describe the methodology used to determine the residential lot values?</b>
	The county uses an analysis of vacant residential parcels to establish assessments for the land component of the assessed value.

**12 Butler**  
**RESIDENTIAL**

**PAD 2013 R&O Statistics (Using 2013 Values)**

Qualified

Date Range: 10/1/2010 To 9/30/2012 Posted on: 1/23/2013

Number of Sales : 166  
Total Sales Price : 13,347,698  
Total Adj. Sales Price : 13,285,398  
Total Assessed Value : 11,935,005  
Avg. Adj. Sales Price : 80,033  
Avg. Assessed Value : 71,898

MEDIAN : 94  
WGT. MEAN : 90  
MEAN : 93  
COD : 13.14  
PRD : 103.81

COV : 17.21  
STD : 16.05  
Avg. Abs. Dev : 12.37  
MAX Sales Ratio : 133.70  
MIN Sales Ratio : 42.85

95% Median C.I. : 91.00 to 95.38  
95% Wgt. Mean C.I. : 87.53 to 92.14  
95% Mean C.I. : 90.82 to 95.70

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<b>DATE OF SALE *</b>										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
<u>Qrtrs</u>											
01-OCT-10 To 31-DEC-10	18	96.65	96.19	91.83	13.39	104.75	71.11	119.59	84.50 to 108.11	80,389	73,824
01-JAN-11 To 31-MAR-11	13	99.22	94.29	92.22	11.04	102.24	65.11	112.18	81.87 to 108.48	76,731	70,763
01-APR-11 To 30-JUN-11	23	91.75	92.26	86.82	12.52	106.27	69.11	132.59	81.41 to 97.18	81,388	70,658
01-JUL-11 To 30-SEP-11	31	93.17	94.72	92.44	15.53	102.47	48.75	133.70	86.93 to 104.03	65,701	60,736
01-OCT-11 To 31-DEC-11	10	95.85	97.27	91.67	11.59	106.11	80.62	123.15	83.18 to 112.63	76,402	70,042
01-JAN-12 To 31-MAR-12	16	93.79	92.65	90.61	09.32	102.25	61.14	125.95	86.46 to 95.81	86,156	78,063
01-APR-12 To 30-JUN-12	31	86.50	88.46	86.33	15.36	102.47	42.85	133.44	80.65 to 95.38	81,950	70,751
01-JUL-12 To 30-SEP-12	24	95.39	94.54	90.50	10.39	104.46	67.73	125.76	90.19 to 99.68	93,719	84,816
<u>Study Yrs</u>											
01-OCT-10 To 30-SEP-11	85	94.40	94.30	90.61	13.81	104.07	48.75	133.70	87.36 to 99.24	74,743	67,726
01-OCT-11 To 30-SEP-12	81	93.91	92.18	89.12	12.43	103.43	42.85	133.44	89.23 to 95.38	85,583	76,275
<u>Calendar Yrs</u>											
01-JAN-11 To 31-DEC-11	77	94.26	94.24	90.44	13.58	104.20	48.75	133.70	87.43 to 99.22	73,639	66,601
<u>ALL</u>	166	94.11	93.26	89.84	13.14	103.81	42.85	133.70	91.00 to 95.38	80,033	71,898

<b>VALUATION GROUPING</b>										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
01	10	91.68	90.06	85.30	12.42	105.58	61.14	106.36	77.39 to 104.38	71,748	61,200
02	72	93.48	92.97	89.47	13.34	103.91	63.15	132.59	86.46 to 95.81	90,852	81,282
03	29	93.54	90.32	88.10	13.13	102.52	42.85	124.33	80.62 to 97.52	119,816	105,558
04	5	94.72	92.92	93.89	05.14	98.97	83.59	99.68	N/A	65,050	61,078
06	22	95.39	95.45	95.88	15.52	99.55	48.75	133.44	83.50 to 105.17	20,603	19,755
07	4	93.38	94.32	93.54	08.56	100.83	85.74	104.79	N/A	63,875	59,749
08	10	96.13	99.06	93.47	09.10	105.98	76.90	125.95	90.55 to 110.38	71,625	66,948
09	14	94.49	95.42	94.93	15.50	100.52	61.30	133.70	73.47 to 117.21	57,262	54,361
<u>ALL</u>	166	94.11	93.26	89.84	13.14	103.81	42.85	133.70	91.00 to 95.38	80,033	71,898

<b>PROPERTY TYPE *</b>										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
01	156	94.17	93.26	89.78	13.42	103.88	42.85	133.70	91.00 to 95.38	80,820	72,562
06	9	93.17	93.28	90.40	09.77	103.19	77.39	106.36	78.14 to 104.38	65,831	59,508
07	1	93.91	93.91	93.91	00.00	100.00	93.91	93.91	N/A	85,000	79,825
<u>ALL</u>	166	94.11	93.26	89.84	13.14	103.81	42.85	133.70	91.00 to 95.38	80,033	71,898

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SALE PRICE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
<u>Low \$ Ranges</u>												
Less Than 5,000	5	83.50	84.99	90.08	24.32	94.35	48.75	117.50	N/A	3,215	2,896	
Less Than 15,000	14	93.23	93.46	98.25	17.45	95.12	48.75	123.15	77.00 to 117.50	6,434	6,321	
Less Than 30,000	32	98.95	99.29	101.77	16.90	97.56	48.75	133.44	86.52 to 113.83	14,979	15,243	
<u>Ranges Excl. Low \$</u>												
Greater Than 4,999	161	94.14	93.52	89.84	12.81	104.10	42.85	133.70	91.07 to 95.38	82,418	74,041	
Greater Than 14,999	152	94.11	93.25	89.78	12.77	103.87	42.85	133.70	91.00 to 95.38	86,811	77,938	
Greater Than 29,999	134	93.52	91.83	89.39	11.99	102.73	42.85	133.70	89.33 to 94.82	95,568	85,427	
<u>Incremental Ranges</u>												
0 TO 4,999	5	83.50	84.99	90.08	24.32	94.35	48.75	117.50	N/A	3,215	2,896	
5,000 TO 14,999	9	95.38	98.17	100.02	13.33	98.15	77.00	123.15	84.34 to 118.88	8,222	8,224	
15,000 TO 29,999	18	105.59	103.82	102.58	14.67	101.21	65.11	133.44	89.19 to 117.42	21,625	22,183	
30,000 TO 59,999	30	101.80	100.67	100.83	12.66	99.84	61.30	133.70	94.64 to 110.38	41,118	41,459	
60,000 TO 99,999	51	94.26	93.74	93.60	10.21	100.15	70.98	125.76	87.43 to 99.24	76,977	72,049	
100,000 TO 149,999	33	86.01	84.17	84.06	11.32	100.13	42.85	102.44	80.62 to 93.50	124,370	104,550	
150,000 TO 249,999	20	89.28	86.32	86.91	10.76	99.32	63.15	102.39	77.19 to 94.82	177,125	153,939	
250,000 TO 499,999												
500,000 TO 999,999												
1,000,000 +												
<u>ALL</u>	166	94.11	93.26	89.84	13.14	103.81	42.85	133.70	91.00 to 95.38	80,033	71,898	



## 2013 Correlation Section for Butler County

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### A. Residential Real Property

Butler County is an agriculturally based county with an array of villages and small towns that exist primarily to support agriculture. David City is the largest town and the county seat. The county has divided the residential analysis and valuation work into 8 Valuation Groups. Most of these groups are centered on individual towns, lakes or rural residential parcels. The characteristics of each Valuation Group are described in in the Residential Survey. The county believes that each grouping is unique with differing combinations of population, schools, commercial activity, healthcare services and employment outside the agricultural sector. During the past few years there have been no significant economic events that have impacted the value of residential property. Some locations have shown some positive residential growth and some have been stable.

The Six Year Inspection and Review process was completed prior to 2012. All of the urban, rural residences and residences on agricultural parcels as well as all residences and cabins on the lakes records are up to date. Based on that, the process used to value the residential property is considered to be consistent and uniform.

During the past year, the Department reviewed the documentation of three years of the county's sale verification process posted in the comments in the sales file. The county has posted comments when required on nearly all of the sales reviewed. In most cases, the comments were complete enough to conclude why the sale was not used or adjusted for the ratio study. There was no reason to conclude that the county had selectively excluded sales to influence the measurement process.

Since 2009, the Department has reviewed a sample from the Assessed Value Updates submitted each year to confirm that the assessment practices of the county were consistent, accurate and not reported to bias the measurement of the county. In 2011, the Department began an expanded analysis for each county on a three year cycle to determine if the annual assessment actions were applied uniformly to like parcels whether sold or unsold. Butler County was selected for the expanded review in 2011. The assessment actions reviewed were acceptable. The assessed value information and property characteristics of the sold parcels have been reported accurately in the sales file. Values have been applied consistently to both sold and unsold parcels.

The Department is confident that the current R&O Statistics are meaningful to measure the entire residential class, partly because the sample is adequate and partly because the assessment actions are good. For 2013, the median ratio for the 166 qualified sales is 94% for the residential property. When the entire residential class is considered; the COD is within the acceptable range and the PRD is slightly above the acceptable range. When the impact of the small dollar sales is removed, the 134 sales at \$30,000 and above have both the COD and PRD within the acceptable range. There are no notable subclasses outside the acceptable range.

The apparent level of value for the residential class is 94%. The quality of the assessment based on the assessment actions of the assessor, is good. There are no recommendations for the adjustment of the class or for any subclass of residential property.

**2013 Correlation Section  
for Butler County**

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**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.



## 2013 Correlation Section for Butler County

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### 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.

## 2013 Correlation Section for Butler County

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### 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.

Note that as market activity changes or as the complexity of properties increases, the measures of variability usually increase, even though appraisal procedures may be equally valid. Standard on Ratio Studies—2010, International Association of Assessing Officers, (2010), p. 13.

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

**2013 Correlation Section  
for Butler County**

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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 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.



## **2013 Commercial Assessment Actions for Butler County**

For 2013, Butler County has followed their 3 Year Plan which includes the following actions:

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

The county conducted a thorough sale verification and analysis process.

For 2013, Butler County inspected and reviewed all of the commercial parcels in the towns of Abie, Bruno, and Linwood. They also inspected any commercial improvements located in the northwestern part of the county which includes Geocodes 2641, and 2643.

The inspection process included an off-site (drive by) review using the record cards to verify the measurements, classification and condition of the existing improvements. The county listed any new unreported improvements and removed any buildings from the records that had been torn down. If there was a discrepancy that required a measurement or closer inspection, they completed the process on-site. They took new photos all significant buildings.

## 2013 Commercial Assessment Survey for Butler County

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

6.	<p><b>Are individual depreciation tables developed for each valuation grouping?</b></p> <p>The basic physical depreciation tables are used throughout the commercial class. There are variations developed for locational or economic considerations. The economic variations are more related to the type and use of the structure and the locational variations more closely related to the valuation groups.</p>
7.	<p><b>When were the depreciation tables last updated for each valuation grouping?</b></p> <p>Depreciation tables are updated in conjunction with revaluations of particular areas. Revaluations or updates are completed at least once every six years.</p>
8.	<p><b>When was the last lot value study completed for each valuation grouping?</b></p> <p>Vacant lot values were last determined in each area in conjunction with revaluations.</p>
9.	<p><b>Describe the methodology used to determine the commercial lot values.</b></p> <p>Vacant commercial lots are valued primarily using market information from vacant lot sales.</p>

**12 Butler**  
**COMMERCIAL**

**PAD 2013 R&O Statistics (Using 2013 Values)**

Qualified

Date Range: 10/1/2009 To 9/30/2012 Posted on: 1/23/2013

Number of Sales : 19  
Total Sales Price : 1,762,900  
Total Adj. Sales Price : 1,762,900  
Total Assessed Value : 1,554,745  
Avg. Adj. Sales Price : 92,784  
Avg. Assessed Value : 81,829

MEDIAN : 94  
WGT. MEAN : 88  
MEAN : 91

COD : 10.63  
PRD : 103.20

COV : 15.19  
STD : 13.82  
Avg. Abs. Dev : 09.95

MAX Sales Ratio : 119.87  
MIN Sales Ratio : 58.68

95% Median C.I. : 83.31 to 99.31  
95% Wgt. Mean C.I. : 81.19 to 95.19  
95% Mean C.I. : 84.35 to 97.67

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DATE OF SALE *										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
<u>Qtrrs</u>											
01-OCT-09 To 31-DEC-09											
01-JAN-10 To 31-MAR-10	1	86.04	86.04	86.04	00.00	100.00	86.04	86.04	N/A	2,400	2,065
01-APR-10 To 30-JUN-10	2	97.59	97.59	97.60	02.13	99.99	95.51	99.66	N/A	70,500	68,808
01-JUL-10 To 30-SEP-10	3	95.32	93.98	95.05	06.32	98.87	84.28	102.34	N/A	155,333	147,647
01-OCT-10 To 31-DEC-10	2	87.85	87.85	82.61	22.93	106.34	67.71	107.99	N/A	50,000	41,305
01-JAN-11 To 31-MAR-11											
01-APR-11 To 30-JUN-11	3	97.18	91.70	81.33	07.10	112.75	78.60	99.31	N/A	108,500	88,245
01-JUL-11 To 30-SEP-11											
01-OCT-11 To 31-DEC-11	2	71.00	71.00	61.00	17.35	116.39	58.68	83.31	N/A	69,000	42,093
01-JAN-12 To 31-MAR-12	1	88.87	88.87	88.87	00.00	100.00	88.87	88.87	N/A	190,000	168,860
01-APR-12 To 30-JUN-12	2	101.38	101.38	91.41	18.25	110.91	82.88	119.87	N/A	65,000	59,418
01-JUL-12 To 30-SEP-12	3	93.63	93.87	93.67	00.79	100.21	92.88	95.10	N/A	90,000	84,300
<u>Study Yrs</u>											
01-OCT-09 To 30-SEP-10	6	95.42	93.86	95.61	05.56	98.17	84.28	102.34	84.28 to 102.34	101,567	97,103
01-OCT-10 To 30-SEP-11	5	97.18	90.16	81.63	12.55	110.45	67.71	107.99	N/A	85,100	69,469
01-OCT-11 To 30-SEP-12	8	90.88	89.40	85.82	12.07	104.17	58.68	119.87	58.68 to 119.87	91,000	78,098
<u>Calendar Yrs</u>											
01-JAN-10 To 31-DEC-10	8	95.42	92.36	93.77	09.45	98.50	67.71	107.99	67.71 to 107.99	88,675	83,154
01-JAN-11 To 31-DEC-11	5	83.31	83.42	75.28	14.21	110.81	58.68	99.31	N/A	92,700	69,784
<u>ALL</u>	19	93.63	91.01	88.19	10.63	103.20	58.68	119.87	83.31 to 99.31	92,784	81,829

VALUATION GROUPING										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
01	9	92.88	88.68	90.18	07.48	98.34	67.71	99.66	83.31 to 95.51	63,267	57,054
02	10	96.25	93.10	87.24	12.71	106.72	58.68	119.87	78.60 to 107.99	119,350	104,126
<u>ALL</u>	19	93.63	91.01	88.19	10.63	103.20	58.68	119.87	83.31 to 99.31	92,784	81,829

PROPERTY TYPE *										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
02											
03	19	93.63	91.01	88.19	10.63	103.20	58.68	119.87	83.31 to 99.31	92,784	81,829
04											
<u>ALL</u>	19	93.63	91.01	88.19	10.63	103.20	58.68	119.87	83.31 to 99.31	92,784	81,829



**12 Butler**  
**COMMERCIAL**

**PAD 2013 R&O Statistics (Using 2013 Values)**

Qualified

Date Range: 10/1/2009 To 9/30/2012 Posted on: 1/23/2013

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95% Wgt. Mean C.I. : 81.19 to 95.19  
95% Mean C.I. : 84.35 to 97.67

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<b>SALE PRICE *</b>											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
<b>Low \$ Ranges</b>												
Less Than 5,000	1	86.04	86.04	86.04	00.00	100.00	86.04	86.04	N/A	2,400	2,065	
Less Than 15,000	2	84.68	84.68	83.73	01.62	101.13	83.31	86.04	N/A	7,700	6,448	
Less Than 30,000	3	86.04	89.55	91.67	06.19	97.69	83.31	99.31	N/A	10,467	9,595	
<b>Ranges Excl. Low \$</b>												
Greater Than 4,999	18	94.37	91.28	88.20	10.68	103.49	58.68	119.87	83.31 to 99.31	97,806	86,260	
Greater Than 14,999	17	95.10	91.75	88.23	10.49	103.99	58.68	119.87	82.88 to 99.66	102,794	90,697	
Greater Than 29,999	16	94.37	91.28	88.13	10.96	103.57	58.68	119.87	82.88 to 99.66	108,219	95,373	
<b>Incremental Ranges</b>												
0 TO 4,999	1	86.04	86.04	86.04	00.00	100.00	86.04	86.04	N/A	2,400	2,065	
5,000 TO 14,999	1	83.31	83.31	83.31	00.00	100.00	83.31	83.31	N/A	13,000	10,830	
15,000 TO 29,999	1	99.31	99.31	99.31	00.00	100.00	99.31	99.31	N/A	16,000	15,890	
30,000 TO 59,999	5	97.18	102.60	101.30	08.21	101.28	92.88	119.87	N/A	37,400	37,888	
60,000 TO 99,999	4	89.90	86.79	87.22	12.01	99.51	67.71	99.66	N/A	71,000	61,924	
100,000 TO 149,999	3	82.88	81.30	80.11	17.56	101.49	58.68	102.34	N/A	111,000	88,918	
150,000 TO 249,999	2	91.25	91.25	91.19	02.61	100.07	88.87	93.63	N/A	185,000	168,695	
250,000 TO 499,999	2	86.96	86.96	86.94	09.61	100.02	78.60	95.32	N/A	278,750	242,340	
500,000 TO 999,999												
1,000,000 +												
<b>ALL</b>	<b>19</b>	<b>93.63</b>	<b>91.01</b>	<b>88.19</b>	<b>10.63</b>	<b>103.20</b>	<b>58.68</b>	<b>119.87</b>	<b>83.31 to 99.31</b>	<b>92,784</b>	<b>81,829</b>	

<b>OCCUPANCY CODE</b>											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
325	2	90.25	90.25	92.99	07.69	97.05	83.31	97.18	N/A	21,500	19,993	
346	1	67.71	67.71	67.71	00.00	100.00	67.71	67.71	N/A	63,000	42,655	
352	3	95.32	95.51	94.51	04.71	101.06	88.87	102.34	N/A	192,000	181,458	
353	1	78.60	78.60	78.60	00.00	100.00	78.60	78.60	N/A	279,500	219,690	
406	4	103.65	103.30	109.92	10.26	93.98	86.04	119.87	N/A	21,350	23,468	
442	6	93.99	87.69	83.20	09.65	105.40	58.68	99.66	58.68 to 99.66	72,667	60,461	
470	1	82.88	82.88	82.88	00.00	100.00	82.88	82.88	N/A	100,000	82,875	
554	1	93.63	93.63	93.63	00.00	100.00	93.63	93.63	N/A	180,000	168,530	
<b>ALL</b>	<b>19</b>	<b>93.63</b>	<b>91.01</b>	<b>88.19</b>	<b>10.63</b>	<b>103.20</b>	<b>58.68</b>	<b>119.87</b>	<b>83.31 to 99.31</b>	<b>92,784</b>	<b>81,829</b>	



## **2013 Correlation Section for Butler County**

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### **A. Commercial Real Property**

Butler County is an agriculturally based county with an array of villages and small towns that exist primarily to support agriculture. Most of the commercial properties in the county either directly service or support agriculture or the people involved in agriculture. David City is the predominant location for commercial and industrial property. There are other commercial parcels in the smaller towns or scattered throughout the rural areas. In all, the commercial values are stable to increasing in David City but generally flat in other parts of the county.

The Six Year Inspection and Review process was completed prior to 2011. All of the commercial and industrial records are up to date. Based on that, the process used to value the commercial property is considered to be consistent and uniform.

The Department's review of the county's sale verification process reported in the residential correlation was done for all 3 classes of property at the same time. The findings, that there was no reason to conclude that the county had selectively excluded sales to influence the measurement process also applies to the commercial sales.

The Department's review of the Assessed Value Update that was reported in the residential correlation was done for all 3 classes of property at the same time. The commercial assessment procedures reviewed were acceptable. The assessed value information and property characteristics of the sold parcels have been reported accurately in the sales file. Values have been applied consistently to both sold and unsold parcels.

The key statistics considered for measurement are as follows: there are just 19 qualified sales; the median ratio is 94%; the COD is 10.63; and the PRD is 103.20. Of the 19 qualified sales, 9 in David City and 10 in the only other valuation grouping, which is made up of 8 different assessor locations; none had more than 2 sales. When the 8 different occupancy codes are reviewed, there are 6 sales in code 442 (bar/tavern); 4 sales in code 406 (storage warehouse); and the remaining 6 codes have no more than 3 sales each. It is notable that the class of commercial and industrial is so broad that the value of the class is impacted by both local and regional economic forces. The use of the statistics to determine a level of value is problematic as it is likely that neither the class of commercial and industrial property nor any subclass is adequately represented.

The county has implemented thorough, timely and consistent assessment actions that should produce consistent valuations. The median ratio calculated from this group of sales is not considered to be representative of the entire class of commercial and industrial property in Butler County so there is not enough information to call a level of value.

**2013 Correlation Section  
for Butler County**

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**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.

## 2013 Correlation Section for Butler County

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### 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.

## 2013 Correlation Section for Butler County

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### 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.

Note that as market activity changes or as the complexity of properties increases, the measures of variability usually increase, even though appraisal procedures may be equally valid. Standard on Ratio Studies—2010, International Association of Assessing Officers, (2010), p. 13.

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

**2013 Correlation Section  
for Butler County**

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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 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.





## **2013 Agricultural Assessment Actions for Butler County**

For 2013, Butler County has followed their 3 Year Plan which includes the following actions:

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

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

For 2013, Butler County inspected and reviewed the agricultural houses and improvements located in the northwestern part of the county which includes Geocodes 2641, and 2643.

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

The county surveyor completed a process of surveying corner points for many parcels throughout the county. This process will enable the assessor to recalibrate many of the rural parcels boundary's and make the GIS measurements more "surveyor accurate".

## 2013 Agricultural Assessment Survey for Butler County

1.	<b>Valuation data collection done by:</b>	
	Assessor and Staff	
2.	<b>List each market area, and describe the location and the specific characteristics that make each unique.</b>	
	Market Area	Description of unique characteristics
	1	There is only one market area maintained in Butler County. Years of analysis of the agricultural sales have not produced information that persuaded the county to develop multiple market areas.
3.	<b>Describe the process that is used to determine and monitor market areas.</b>	
	The county reviews sale information and identifies common characteristics of the parcels and Similar parcels are grouped together. At this time all parcels in the county are influenced by the same market forces, so one market area has been defined.	
4.	<b>Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land.</b>	
	The county considers a parcel agricultural if it is primarily used for the production of an ag product, residential if it is not being used for ag and has a primary residence, and it is recreational if seasonal dwellings exist or non ag uses are predominant.	
5.	<b>Do farm home sites carry the same value as rural residential home sites? If not, what are the market differences?</b>	
	Farm home sites and rural residential home sites are valued the same. There are locations where the site values are different within the county, but the two types of sites are the same within those locations. The locational differences for both types of sites are characterized by their proximity to the city of Columbus.	
6.	<b>Describe the process used to identify and monitor the influence of non-agricultural characteristics.</b>	
	The county is constantly monitoring sale activity; they verify agricultural sales with buyers and sellers to determine their motivation; they are aware of general agricultural land market trends.	
7.	<b>Have special valuation applications been filed in the county? If a value difference is recognized describe the process used to develop the uninfluenced value.</b>	
	No	

8.	<b>If applicable, describe the process used to develop assessed values for parcels enrolled in the Wetland Reserve Program.</b>
	The county has 5 or 6 WRP parcels. Most of those parcels were sold after the WRP easement was implemented several years ago. The county used those sales to estimate a probable market value per acre for all of them. The value per acre is reviewed and potentially adjusted each year. For 2012, the acre value used was \$1,600.

**12 Butler**  
**AGRICULTURAL LAND**

**PAD 2013 R&O Statistics (Using 2013 Values)**

Qualified

Date Range: 10/1/2009 To 9/30/2012 Posted on: 1/23/2013

Number of Sales : 54  
Total Sales Price : 27,218,233  
Total Adj. Sales Price : 27,218,233  
Total Assessed Value : 18,817,854  
Avg. Adj. Sales Price : 504,041  
Avg. Assessed Value : 348,479

MEDIAN : 72  
WGT. MEAN : 69  
MEAN : 72  
COD : 16.77  
PRD : 103.73

COV : 20.40  
STD : 14.63  
Avg. Abs. Dev : 12.12  
MAX Sales Ratio : 104.31  
MIN Sales Ratio : 45.86

95% Median C.I. : 65.12 to 77.42  
95% Wgt. Mean C.I. : 65.41 to 72.86  
95% Mean C.I. : 67.82 to 75.62

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<b>DATE OF SALE *</b>										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
<u>Qtrts</u>											
01-OCT-09 To 31-DEC-09											
01-JAN-10 To 31-MAR-10	9	91.36	85.59	87.44	14.24	97.88	51.50	104.31	58.21 to 103.14	303,697	265,555
01-APR-10 To 30-JUN-10	4	81.27	81.33	80.23	04.64	101.37	76.18	86.59	N/A	537,034	430,865
01-JUL-10 To 30-SEP-10	3	86.88	83.28	87.43	06.65	95.25	72.80	90.15	N/A	373,467	326,528
01-OCT-10 To 31-DEC-10	12	73.43	74.41	74.43	08.62	99.97	60.39	85.95	70.55 to 82.93	434,864	323,648
01-JAN-11 To 31-MAR-11	2	72.17	72.17	64.88	14.98	111.24	61.36	82.98	N/A	645,000	418,485
01-APR-11 To 30-JUN-11											
01-JUL-11 To 30-SEP-11	2	59.26	59.26	57.11	07.68	103.76	54.71	63.81	N/A	738,513	421,755
01-OCT-11 To 31-DEC-11	9	65.12	66.00	66.57	15.53	99.14	48.85	85.20	51.91 to 78.13	608,823	405,264
01-JAN-12 To 31-MAR-12	4	55.54	55.84	57.49	12.66	97.13	45.86	66.43	N/A	632,724	363,729
01-APR-12 To 30-JUN-12	6	54.78	57.30	56.26	08.47	101.85	51.80	73.30	51.80 to 73.30	715,850	402,717
01-JUL-12 To 30-SEP-12	3	67.04	70.14	69.35	05.00	101.14	66.66	76.72	N/A	308,542	213,987
<u>Study Yrs</u>											
01-OCT-09 To 30-SEP-10	16	86.50	84.09	84.86	11.61	99.09	51.50	104.31	76.18 to 93.68	375,113	318,315
01-OCT-10 To 30-SEP-11	16	71.75	72.24	69.68	10.80	103.67	54.71	85.95	63.42 to 82.93	499,087	347,766
01-OCT-11 To 30-SEP-12	22	60.99	62.35	61.68	15.22	101.09	45.86	85.20	52.80 to 72.06	601,410	370,934
<u>Calendar Yrs</u>											
01-JAN-10 To 31-DEC-10	28	80.94	79.94	80.01	12.59	99.91	51.50	104.31	72.80 to 86.40	400,721	320,601
01-JAN-11 To 31-DEC-11	13	63.81	65.91	64.61	14.83	102.01	48.85	85.20	54.71 to 78.13	634,341	409,835
<u>ALL</u>	54	72.26	71.72	69.14	16.77	103.73	45.86	104.31	65.12 to 77.42	504,041	348,479

<b>AREA (MARKET)</b>										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
1	54	72.26	71.72	69.14	16.77	103.73	45.86	104.31	65.12 to 77.42	504,041	348,479
<u>ALL</u>	54	72.26	71.72	69.14	16.77	103.73	45.86	104.31	65.12 to 77.42	504,041	348,479

<b>95%MLU By Market Area</b>										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
<u>Irrigated</u>											
County	5	82.93	76.79	76.96	13.14	99.78	45.86	91.36	N/A	483,142	371,842
1	5	82.93	76.79	76.96	13.14	99.78	45.86	91.36	N/A	483,142	371,842
<u>Dry</u>											
County	17	76.18	76.24	73.83	16.08	103.26	51.80	104.31	63.42 to 85.95	384,689	283,996
1	17	76.18	76.24	73.83	16.08	103.26	51.80	104.31	63.42 to 85.95	384,689	283,996
<u>ALL</u>	54	72.26	71.72	69.14	16.77	103.73	45.86	104.31	65.12 to 77.42	504,041	348,479

**12 Butler**  
**AGRICULTURAL LAND**

**PAD 2013 R&O Statistics (Using 2013 Values)**

Qualified

Date Range: 10/1/2009 To 9/30/2012 Posted on: 1/23/2013

Number of Sales : 54  
Total Sales Price : 27,218,233  
Total Adj. Sales Price : 27,218,233  
Total Assessed Value : 18,817,854  
Avg. Adj. Sales Price : 504,041  
Avg. Assessed Value : 348,479

MEDIAN : 72  
WGT. MEAN : 69  
MEAN : 72  
COD : 16.77  
PRD : 103.73

COV : 20.40  
STD : 14.63  
Avg. Abs. Dev : 12.12  
MAX Sales Ratio : 104.31  
MIN Sales Ratio : 45.86

95% Median C.I. : 65.12 to 77.42  
95% Wgt. Mean C.I. : 65.41 to 72.86  
95% Mean C.I. : 67.82 to 75.62

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**80%MLU By Market Area**

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<b>_____Irrigated_____</b>											
County	16	72.88	71.13	67.91	16.26	104.74	45.86	91.36	59.32 to 86.40	789,140	535,870
1	16	72.88	71.13	67.91	16.26	104.74	45.86	91.36	59.32 to 86.40	789,140	535,870
<b>_____Dry_____</b>											
County	23	74.57	74.75	71.91	14.95	103.95	51.80	104.31	66.43 to 84.80	409,013	294,140
1	23	74.57	74.75	71.91	14.95	103.95	51.80	104.31	66.43 to 84.80	409,013	294,140
<b>_____Grass_____</b>											
County	4	51.71	53.16	53.01	05.78	100.28	48.85	60.39	N/A	207,776	110,133
1	4	51.71	53.16	53.01	05.78	100.28	48.85	60.39	N/A	207,776	110,133
<b>_____ALL_____</b>											
	54	72.26	71.72	69.14	16.77	103.73	45.86	104.31	65.12 to 77.42	504,041	348,479

## Butler County 2013 Average Acre Value Comparison

County	Mkt Area	1A1	1A	2A1	2A	3A1	3A	4A1	4A	AVG IRR
Butler	1	4,800	4,500	4,397	3,964	3,848	3,308	2,495	2,244	4,233
Colfax	1	4,410	4,120	4,020	3,880	3,530	3,300	2,800	2,500	3,797
Dodge	1	5,265	4,895	4,550	4,230	3,704	3,655	3,400	3,170	4,399
Lancaster	1	6,000	6,000	6,000	5,993	4,875	4,854	2,999	2,998	5,468
Platte	6	5,474	5,300	4,933	4,746	4,575	4,403	3,876	3,125	4,758
Polk	1	4,675	4,228	3,956	3,698	3,635	3,361	3,237	2,840	4,281
Saunders	1	5,118	4,902	4,700	4,250	4,100	3,702	2,808	2,600	3,969
Seward	1	5,200	5,100	4,900	4,600	4,400	N/A	3,400	3,000	4,737
Seward	3	3,800	3,700	3,450	3,300	2,800	N/A	2,600	2,000	3,457
York	2	5,350	5,350	4,995	4,995	4,500	N/A	4,036	4,036	5,116

County	Mkt Area	1D1	1D	2D1	2D	3D1	3D	4D1	4D	AVG DRY
Butler	1	4,525	4,350	4,150	3,747	3,650	3,199	2,300	2,100	3,578
Colfax	1	3,888	3,733	3,598	3,398	3,295	2,996	2,226	1,805	3,193
Dodge	1	4,870	4,530	4,215	3,920	3,285	3,170	2,875	2,365	4,001
Lancaster	1	3,748	3,750	3,371	3,373	3,000	3,000	2,625	2,625	3,264
Platte	6	4,296	4,125	3,671	3,535	3,549	3,306	2,673	1,950	3,567
Polk	1	3,011	2,848	2,160	2,160	1,970	1,910	1,850	1,850	2,634
Saunders	1	4,709	4,500	4,300	3,850	3,700	3,300	2,417	2,229	3,283
Seward	1	3,500	3,500	3,100	3,100	2,600	N/A	2,200	2,000	2,991
Seward	3	3,800	3,700	3,450	3,300	2,800	2,800	2,600	2,000	3,257
York	2	3,570	3,570	2,940	2,940	2,730	N/A	2,519	2,520	3,214

County	Mkt Area	1G1	1G	2G1	2G	3G1	3G	4G1	4G	AVG GRASS
Butler	1	1,819	2,170	2,183	1,790	1,961	1,886	1,735	1,639	1,807
Colfax	1	1,250	1,250	1,150	1,150	1,085	1,085	975	975	1,082
Dodge	1	1,549	1,643	1,405	1,508	1,661	1,381	1,387	1,204	1,455
Lancaster	1	2,355	2,539	2,087	2,162	1,816	1,829	1,430	1,366	1,802
Platte	6	1,419	1,431	1,323	1,372	1,255	1,190	1,230	1,143	1,224
Polk	1	822	867	930	945	926	947	874	813	882
Saunders	1	1,619	1,389	1,926	1,866	2,125	1,135	1,214	1,062	1,427
Seward	1	1,062	1,196	978	939	966	1,800	948	821	926
Seward	3	1,235	1,240	1,012	1,052	988	1,217	1,033	821	985
York	2	977	945	898	904	866	N/A	859	852	874

Source: 2013 Abstract of Assessment, Form 45, Schedule IX



## 2013 Correlation Section for Butler County

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### A. Agricultural Land

Butler County is an agriculturally based county with an array of villages and small towns that exist primarily to support agriculture. The primary crops are row crops with corn, soybeans, and some grain sorghum. The county land use is approximately 37% irrigated land, 43% dry land, 15% grass land and 5% other uses. Butler County is bordered on the north by Platte and Colfax Counties, on the south by Seward County, on the east by Saunders County and on the west by Polk County. The agricultural land is valued using only one market area.

The county reports that the improvements on the agricultural parcels have all been inspected and reviewed prior to 2013, so the first cycle of the 6 year inspection and review process of all agricultural improvements in the county has been completed.

The Department's review of the county's sale verification process reported in the residential correlation was done for all 3 classes of property at the same time. The findings, that there was no reason to conclude that the county had selectively excluded sales to influence the measurement process applies to the agricultural sales too.

The Department's review of the Assessed Value Update that was reported in the residential correlation was done for all 3 classes of property at the same time. The agricultural assessment procedures reviewed were acceptable. The assessed value information and property characteristics of the sold parcels have been reported accurately in the sales file. Values have been applied consistently to both sold and unsold parcels.

There was a total sample of 54 qualified sales used to determine the level of value of agricultural land in Butler County. The sample used was deemed adequate, proportional among study years and representative based on major land uses. Any comparable sales used were selected from a similar agricultural area within six miles of the subject county. The calculated median ratio is 72%. The 2013 abstract reports; overall agricultural land increased by 27.10%; irrigated land increased by nearly 29%, dry land increased by over 27%, and grass land increased by less than 1%. Even with the minimal increase to grass land, Butler County has some of the highest grass values in the area. The county has sound assessment practices relating to the verification of sales and analysis of agricultural values. The quality of assessment for agricultural land is acceptable.

It is the opinion of the Department that the level of value for agricultural land of value falls at or near the median ratio. Neither the COD nor the PRD are particularly useful indicators of equity or regression because of the dramatic increases in the value of agland during the three year study period. The 17 sales in the 95% Dry MLU show a median of 76.18% but are strongly biased with 9 of the sales occurring in the earliest study year. The 80% MLU counterpart has 23 sales, a median of 74.57%, and is still biased with 10 sales in the earliest study year, but not as strongly as the 95% sample. This leads to the conclusion that an unbiased measure would trend to about 72% which coincides with the median for the class. In this case, the apparent level of value is 72% and the quality of the assessment process is acceptable. Otherwise, there are no indications of any major subclass outside the range. There are no recommended adjustments to the class or to any subclass of agricultural land.



**2013 Correlation Section  
for Butler County**

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**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.

## 2013 Correlation Section for Butler County

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### 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.

## 2013 Correlation Section for Butler County

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### 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.

Note that as market activity changes or as the complexity of properties increases, the measures of variability usually increase, even though appraisal procedures may be equally valid. Standard on Ratio Studies—2010, International Association of Assessing Officers, (2010), p. 13.

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

**2013 Correlation Section  
for Butler County**

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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 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.



<b>Total Real Property</b> Sum Lines 17, 25, & 30	<b>Records : 7,793</b>	<b>Value : 1,630,971,970</b>	<b>Growth 5,836,152</b>	<b>Sum Lines 17, 25, &amp; 41</b>
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Schedule I : Non-Agricultural Records

	Urban		SubUrban		Rural		Total		Growth
	Records	Value	Records	Value	Records	Value	Records	Value	
<b>01. Res UnImp Land</b>	228	815,810	5	49,860	74	881,175	307	1,746,845	
<b>02. Res Improve Land</b>	2,032	13,774,140	7	176,100	657	17,761,525	2,696	31,711,765	
<b>03. Res Improvements</b>	2,091	110,404,495	7	872,280	747	73,563,930	2,845	184,840,705	
<b>04. Res Total</b>	2,319	124,994,445	12	1,098,240	821	92,206,630	3,152	218,299,315	1,937,810
<b>% of Res Total</b>	73.57	57.26	0.38	0.50	26.05	42.24	40.45	13.38	33.20
<b>05. Com UnImp Land</b>	51	341,665	0	0	15	1,988,325	66	2,329,990	
<b>06. Com Improve Land</b>	312	2,463,960	2	16,660	54	7,207,040	368	9,687,660	
<b>07. Com Improvements</b>	324	35,485,420	2	103,735	70	17,775,840	396	53,364,995	
<b>08. Com Total</b>	375	38,291,045	2	120,395	85	26,971,205	462	65,382,645	1,895,111
<b>% of Com Total</b>	81.17	58.56	0.43	0.18	18.40	41.25	5.93	4.01	32.47
<b>09. Ind UnImp Land</b>	0	0	0	0	0	0	0	0	
<b>10. Ind Improve Land</b>	2	475,625	0	0	1	829,650	3	1,305,275	
<b>11. Ind Improvements</b>	2	3,760,280	0	0	1	13,972,235	3	17,732,515	
<b>12. Ind Total</b>	2	4,235,905	0	0	1	14,801,885	3	19,037,790	0
<b>% of Ind Total</b>	66.67	22.25	0.00	0.00	33.33	77.75	0.04	1.17	0.00
<b>13. Rec UnImp Land</b>	0	0	0	0	19	515,445	19	515,445	
<b>14. Rec Improve Land</b>	0	0	0	0	46	2,164,180	46	2,164,180	
<b>15. Rec Improvements</b>	0	0	0	0	263	10,184,900	263	10,184,900	
<b>16. Rec Total</b>	0	0	0	0	282	12,864,525	282	12,864,525	225,330
<b>% of Rec Total</b>	0.00	0.00	0.00	0.00	100.00	100.00	3.62	0.79	3.86
<b>Res &amp; Rec Total</b>	2,319	124,994,445	12	1,098,240	1,103	105,071,155	3,434	231,163,840	2,163,140
<b>% of Res &amp; Rec Total</b>	67.53	54.07	0.35	0.48	32.12	45.45	44.07	14.17	37.06
<b>Com &amp; Ind Total</b>	377	42,526,950	2	120,395	86	41,773,090	465	84,420,435	1,895,111
<b>% of Com &amp; Ind Total</b>	81.08	50.38	0.43	0.14	18.49	49.48	5.97	5.18	32.47
<b>17. Taxable Total</b>	2,696	167,521,395	14	1,218,635	1,189	146,844,245	3,899	315,584,275	4,058,251
<b>% of Taxable Total</b>	69.15	53.08	0.36	0.39	30.49	46.53	50.03	19.35	69.54

Schedule II : Tax Increment Financing (TIF)

	Urban			SubUrban		
	Records	Value Base	Value Excess	Records	Value Base	Value Excess
18. Residential	0	0	0	0	0	0
19. Commercial	8	1,117,565	1,836,780	0	0	0
20. Industrial	2	4,235,905	3,133,135	0	0	0
21. Other	0	0	0	0	0	0
	Rural			Total		
	Records	Value Base	Value Excess	Records	Value Base	Value Excess
18. Residential	0	0	0	0	0	0
19. Commercial	0	0	0	8	1,117,565	1,836,780
20. Industrial	0	0	0	2	4,235,905	3,133,135
21. Other	0	0	0	0	0	0
22. Total Sch II				10	5,353,470	4,969,915

Schedule III : Mineral Interest Records

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

Schedule IV : Exempt Records : Non-Agricultural

	Urban Records	SubUrban Records	Rural Records	Total Records
26. Exempt	258	2	436	696

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	92	1,357,655	1	53,535	2,459	747,763,235	2,552	749,174,425
28. Ag-Improved Land	3	669,470	2	65,965	1,272	486,830,250	1,277	487,565,685
29. Ag Improvements	3	65,985	2	68,460	1,337	78,513,140	1,342	78,647,585
30. Ag Total							3,894	1,315,387,695

Schedule VI : Agricultural Records :Non-Agricultural Detail

	Urban			SubUrban			Growth
	Records	Acres	Value	Records	Acres	Value	
31. HomeSite UnImp Land	1	1.00	18,000	0	0.00	0	
32. HomeSite Improv Land	1	1.00	18,000	0	0.00	0	
33. HomeSite Improvements	1	1.00	33,055	0	0.00	0	
34. HomeSite Total							
35. FarmSite UnImp Land	4	2.39	8,060	0	0.00	0	
36. FarmSite Improv Land	3	2.91	16,155	2	2.46	10,920	
37. FarmSite Improvements	3	0.00	32,930	2	0.00	68,460	
38. FarmSite Total							
39. Road & Ditches	0	6.48	0	0	0.75	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
	Rural			Total			
	Records	Acres	Value	Records	Acres	Value	
31. HomeSite UnImp Land	8	6.83	145,000	9	7.83	163,000	
32. HomeSite Improv Land	804	811.81	14,617,790	805	812.81	14,635,790	
33. HomeSite Improvements	810	781.96	50,711,650	811	782.96	50,744,705	1,777,901
34. HomeSite Total				<b>820</b>	<b>820.64</b>	<b>65,543,495</b>	
35. FarmSite UnImp Land	46	579.07	1,349,240	50	581.46	1,357,300	
36. FarmSite Improv Land	1,228	3,386.07	14,516,040	1,233	3,391.44	14,543,115	
37. FarmSite Improvements	1,297	0.00	27,801,490	1,302	0.00	27,902,880	0
38. FarmSite Total				<b>1,352</b>	<b>3,972.90</b>	<b>43,803,295</b>	
39. Road & Ditches	0	7,648.12	0	0	7,655.35	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
41. Total Section VI				<b>2,172</b>	<b>12,448.89</b>	<b>109,346,790</b>	<b>1,777,901</b>



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

	Urban			SubUrban		
	Records	Acres	Value	Records	Acres	Value
42. Game & Parks	1	0.00	858,635	0	0.00	0
	Rural			Total		
	Records	Acres	Value	Records	Acres	Value
42. Game & Parks	2	316.95	493,745	3	316.95	1,352,380

Schedule VIII : Agricultural Records : Special Value

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

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

## Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 1

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	53,526.27	41.18%	256,907,160	46.69%	4,799.65
46. 1A	18,090.34	13.92%	81,406,545	14.79%	4,500.00
47. 2A1	13,174.94	10.14%	57,929,435	10.53%	4,396.94
48. 2A	12,636.82	9.72%	50,086,960	9.10%	3,963.57
49. 3A1	13,839.38	10.65%	53,253,440	9.68%	3,847.96
50. 3A	5,872.39	4.52%	19,424,580	3.53%	3,307.78
51. 4A1	9,711.69	7.47%	24,229,455	4.40%	2,494.88
52. 4A	3,121.75	2.40%	7,003,780	1.27%	2,243.54
53. Total	129,973.58	100.00%	550,241,355	100.00%	4,233.49
<b>Dry</b>					
54. 1D1	34,851.55	22.92%	157,703,530	28.98%	4,525.01
55. 1D	20,989.00	13.80%	91,302,225	16.78%	4,350.00
56. 2D1	18,710.69	12.30%	77,649,665	14.27%	4,150.02
57. 2D	4,377.91	2.88%	16,404,245	3.01%	3,747.05
58. 3D1	14,716.67	9.68%	53,714,775	9.87%	3,649.93
59. 3D	15,883.36	10.44%	50,817,260	9.34%	3,199.40
60. 4D1	36,039.48	23.70%	82,889,295	15.23%	2,299.96
61. 4D	6,500.65	4.27%	13,651,345	2.51%	2,100.00
62. Total	152,069.31	100.00%	544,132,340	100.00%	3,578.19
<b>Grass</b>					
63. 1G1	1,186.07	2.28%	2,157,655	2.30%	1,819.16
64. 1G	3,081.25	5.92%	6,685,390	7.11%	2,169.70
65. 2G1	4,105.00	7.89%	8,962,840	9.54%	2,183.40
66. 2G	1,071.76	2.06%	1,918,945	2.04%	1,790.46
67. 3G1	3,228.98	6.21%	6,331,755	6.74%	1,960.91
68. 3G	7,835.99	15.07%	14,776,115	15.72%	1,885.67
69. 4G1	15,707.20	30.20%	27,246,795	28.99%	1,734.67
70. 4G	15,794.04	30.37%	25,891,490	27.55%	1,639.32
71. Total	52,010.29	100.00%	93,970,985	100.00%	1,806.78
<b>Irrigated Total</b>					
	129,973.58	36.76%	550,241,355	45.62%	4,233.49
<b>Dry Total</b>					
	152,069.31	43.01%	544,132,340	45.12%	3,578.19
<b>Grass Total</b>					
	52,010.29	14.71%	93,970,985	7.79%	1,806.78
72. Waste	1,010.59	0.29%	303,150	0.03%	299.97
73. Other	18,466.63	5.22%	17,393,075	1.44%	941.87
74. Exempt	3,422.98	0.97%	0	0.00%	0.00
75. Market Area Total	353,530.40	100.00%	1,206,040,905	100.00%	3,411.42

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
<b>76. Irrigated</b>	81.19	337,015	0.00	0	129,892.39	549,904,340	129,973.58	550,241,355
<b>77. Dry Land</b>	380.90	1,524,980	18.74	84,345	151,669.67	542,523,015	152,069.31	544,132,340
<b>78. Grass</b>	49.13	79,300	9.38	24,235	51,951.78	93,867,450	52,010.29	93,970,985
<b>79. Waste</b>	1.41	425	0.00	0	1,009.18	302,725	1,010.59	303,150
<b>80. Other</b>	25.19	25,190	0.00	0	18,441.44	17,367,885	18,466.63	17,393,075
<b>81. Exempt</b>	6.55	0	55.14	0	3,361.29	0	3,422.98	0
<b>82. Total</b>	<b>537.82</b>	<b>1,966,910</b>	<b>28.12</b>	<b>108,580</b>	<b>352,964.46</b>	<b>1,203,965,415</b>	<b>353,530.40</b>	<b>1,206,040,905</b>

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
<b>Irrigated</b>	129,973.58	36.76%	550,241,355	45.62%	4,233.49
<b>Dry Land</b>	152,069.31	43.01%	544,132,340	45.12%	3,578.19
<b>Grass</b>	52,010.29	14.71%	93,970,985	7.79%	1,806.78
<b>Waste</b>	1,010.59	0.29%	303,150	0.03%	299.97
<b>Other</b>	18,466.63	5.22%	17,393,075	1.44%	941.87
<b>Exempt</b>	3,422.98	0.97%	0	0.00%	0.00
<b>Total</b>	<b>353,530.40</b>	<b>100.00%</b>	<b>1,206,040,905</b>	<b>100.00%</b>	<b>3,411.42</b>

## 2013 County Abstract of Assessment for Real Property, Form 45 Compared with the 2012 Certificate of Taxes Levied (CTL)

### 12 Butler

	2012 CTL County Total	2013 Form 45 County Total	Value Difference (2013 form 45 - 2012 CTL)	Percent Change	2013 Growth (New Construction Value)	Percent Change excl. Growth
01. Residential	214,277,645	218,299,315	4,021,670	1.88%	1,937,810	0.97%
02. Recreational	12,220,810	12,864,525	643,715	5.27%	225,330	3.42%
03. Ag-Homesite Land, Ag-Res Dwelling	65,363,320	65,543,495	180,175	0.28%	1,777,901	-2.44%
<b>04. Total Residential (sum lines 1-3)</b>	<b>291,861,775</b>	<b>296,707,335</b>	<b>4,845,560</b>	<b>1.66%</b>	<b>3,941,041</b>	<b>0.31%</b>
05. Commercial	63,117,980	65,382,645	2,264,665	3.59%	1,895,111	0.59%
06. Industrial	18,988,990	19,037,790	48,800	0.26%	0	0.26%
07. Ag-Farmsite Land, Outbuildings	42,820,105	43,803,295	983,190	2.30%	0	2.30%
08. Minerals	0	0	0		0	
<b>09. Total Commercial (sum lines 5-8)</b>	<b>124,927,075</b>	<b>128,223,730</b>	<b>3,296,655</b>	<b>2.64%</b>	<b>1,895,111</b>	<b>1.12%</b>
<b>10. Total Non-Agland Real Property</b>	<b>416,788,850</b>	<b>424,931,065</b>	<b>8,142,215</b>	<b>1.95%</b>	<b>5,836,152</b>	<b>0.55%</b>
11. Irrigated	427,766,490	550,241,355	122,474,865	28.63%		
12. Dryland	427,181,600	544,132,340	116,950,740	27.38%		
13. Grassland	93,143,235	93,970,985	827,750	0.89%		
14. Wasteland	313,475	303,150	-10,325	-3.29%		
15. Other Agland	477,995	17,393,075	16,915,080	3,538.76%		
<b>16. Total Agricultural Land</b>	<b>948,882,795</b>	<b>1,206,040,905</b>	<b>257,158,110</b>	<b>27.10%</b>		
<b>17. Total Value of all Real Property</b> (Locally Assessed)	<b>1,365,671,645</b>	<b>1,630,971,970</b>	<b>265,300,325</b>	<b>19.43%</b>	<b>5,836,152</b>	<b>19.00%</b>

**BUTLER COUNTY  
3-YEAR PLAN OF ASSESSMENT  
Prepared in: 2012**

Plan of Assessment Requirements:

Pursuant to Neb.Laws 2005, LB 263, Section 9, on or before June 15 each year, the assessor shall prepare a plan of assessment, which describes the assessment actions planned for the next assessment year and two years thereafter. The plan shall indicate classes, or subclasses of real property that the county assessor plans to examine during the years contained in the plan of assessment. The plan shall describe all the assessment actions necessary to achieve the level of value and quality of assessment practices required by law, and the resources necessary to complete those actions. On or before July 31 each year, the assessor shall present the plan to the county board of equalization and the assessor may amend the plan, if necessary, after the budget is approved by the county board. A copy of the plan and any amendments thereto shall be mailed to the Department of Property Assessment and Taxation on or before October 31 each year.

Real Property Assessment Requirements:

All property in the State of Nebraska is subject to property tax unless expressly exempt by Nebraska Constitution, Article VIII, or is permitted by the constitution and enabling legislation adopted by the legislature. The uniform standard for the assessed value of real property for tax purposes is actual value, which is defined by law as "the market value of real property in the ordinary course of trade." Neb. Rev. Stat. 77-112 (Reissue 2003).

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

GENERAL DESCRIPTION OF REAL PROPERTY IN BUTLER COUNTY

Per the 2012 County Abstract, Butler County consists of the following real property types:

	Parcels	% of Total Parcels	% of Taxable Value
Residential	3142	37.24	15.68
Commercial	458	5.43	4.63
Industrial	4	.01	1.43
Agricultural	3856	45.69	77.36
Recreational	278	3.30	.89
Special Value	0	-----	-----
Tax Increment Financing	9	.11	.01
Exempt	694	8.22	-----
Total	8441	100.00	100.00

Agricultural land –	Taxable Acres	Total Value
Irrigated Acres	127,335.38	427,268,210
Dry Acres	155,529.43	430,004,635
Grass Acres	51,447.72	73,856,235
Waste Acres	973.10	291,910
Other Acres	18,587.63	17,472,370
Exempt Acres	3,416.29	-----
Total Acres	357,289.55	948,893,360

For more information see 2012 Reports & Opinions, Abstract and Assessor Survey.

### ASSESSMENT PLAN/PROCEDURES MANUAL

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

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

### RECORD MAINTENCE/RESPONSIBILITES

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

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

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

### HOMESTEAD EXEMPTIONS

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

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

### PERMISSIVE EXEMPTIONS

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

### REPORT GENERATION

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

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

### PERSONAL PROPERTY

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

### SALES REVIEW/VERIFICATION

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

## EDUCATION

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

## REAL PROPERTY

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

### The Rotation review for 2013:

Residential – Abie, Bruno & Linwood

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

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

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

### The Rotation review for 2014:

Residential – Octavia, Bellwood, Garrison & Surprise

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

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

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

### The Rotation review for 2015:

Residential – David City

Commercial – David City and any commercial within the townships for the 2015 rotational review.

Agricultural Land and Improvements – Center, Plum Creek, Richardson & Oak Creek Townships.

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



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

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

The office utilizes the Terra Scan administrative and CAMA system using the Marshall Swift cost. All data collected in all classifications of property have been entered in CAMA. A sketch of each house is entered into CAMA and was completed in 2001. Digital photos for each property have been entered into the system. 1992, 1998 and 2011 aerial photos are also a part of the property record card. 2011 colored aeriels have been copied into the GIS and are being used to determine land use. 2011 digital oblique have been added to GIS and copied to the Terra Scan property record information.

A Butler County Assessor web site has been on line since June 2004. Website includes property record card information, digital photo, sketch, GIS map; June 2011 aerial obliques were also added to the website. A lot, block and dimensions layer for David City will be added to the web site for 2012. Website address is [butler.gisworkshop.com](http://butler.gisworkshop.com).

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

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

The Department of Property Assessment and Taxation has prepared the progress report for Butler County and is on file in the assessor's office and serves as additional information for this report. The 2012 Butler County statistical measures are on file in the annual report and kept on file in the Assessor's Office.

Respectfully submitted:

Signature: David W. Masal Chairman  
Vickie Donoghue Vickie Donoghue  
Butler County Assessor  
June 18, 2012

## 2013 Assessment Survey for Butler County

### A. Staffing and Funding Information

1.	<b>Deputy(ies) on staff:</b>
	1
2.	<b>Appraiser(s) on staff:</b>
	0
3.	<b>Other full-time employees:</b>
	2
4.	<b>Other part-time employees:</b>
	1
5.	<b>Number of shared employees:</b>
	0
6.	<b>Assessor's requested budget for current fiscal year:</b>
	\$231,015 This includes benefits; health insurance, Social Security and retirement.
7.	<b>Adopted budget, or granted budget if <i>different from above</i>:</b>
	\$231,015
8.	<b>Amount of the total budget set aside for appraisal work:</b>
	\$8,400
9.	<b>If appraisal/reappraisal budget is a separate levied fund, what is that amount:</b>
	0
10.	<b>Part of the assessor's budget that is dedicated to the computer system:</b>
	0 This comes from county data processing, not the assessor's budget.
11.	<b>Amount of the assessor's budget set aside for education/workshops:</b>
	\$1,200
12.	<b>Other miscellaneous funds:</b>
	0
13.	<b>Amount of last year's assessor's budget not used:</b>
	The amount was minimal.

## B. Computer, Automation Information and GIS

1.	<b>Administrative software:</b>
	Thompson Reuters; formerly TerraScan
2.	<b>CAMA software:</b>
	Thompson Reuters; formerly TerraScan
3.	<b>Are cadastral maps currently being used?</b>
	Cadastral maps are available, but are not updated. GIS processes have replaced their function
4.	<b>If so, who maintains the Cadastral Maps?</b>
	They are not being maintained; Since 2004, the cadastral maps have been created and updated in the GIS system.
5.	<b>Does the county have GIS software?</b>
	Yes
6.	<b>Is GIS available to the public? If so, what is the web address?</b>
	Yes; <a href="http://butler.gisworkshop.com">butler.gisworkshop.com</a>
7.	<b>Who maintains the GIS software and maps?</b>
	Assessor and Staff
8.	<b>Personal Property software:</b>
	Thompson Reuters; formerly TerraScan

## C. Zoning Information

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

## D. Contracted Services

1.	<b>Appraisal Services:</b>
	Large Commercial properties are occasionally contracted out.
2.	<b>GIS Services:</b>
	GIS programming, programming support and instruction are provided through GIS workshop.

3.	<b>Other services:</b>
	The administrative, appraisal, programming, and support functions are contracted through Thompson Reuters; formerly TerraScan.

### **E. Appraisal /Listing Services**

1.	<b>Does the county employ outside help for appraisal or listing services?</b>
	Occasionally; only for large commercial or industrial appraisals
2.	<b>If so, is the appraisal or listing service performed under contract?</b>
	Verbal agreement
3.	<b>What appraisal certifications or qualifications does the County require?</b>
	The county was aware of the appraiser's certifications, but was more concerned that the appraiser had the experience to appraise the type of property that the county was unable to do for themselves.
4.	<b>Have the existing contracts been approved by the PTA?</b>
	No; The county has had no recent contracts.
5.	<b>Does the appraisal or listing service providers establish assessed values for the county?</b>
	Yes; On the infrequent occasions that the county needs assistance; they rely on the appraiser to value and defend the value of the property. The assessor always reviews the work, but relies on the appraiser's value. The most recent such project was for a large regional private landfill.



## 2013 Certification for Butler County

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This is to certify that the 2013 Reports and Opinions of the Property Tax Administrator have been sent to the following:

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

One copy by electronic transmission to the Butler County Assessor.

Dated this 5th day of April, 2013.



A handwritten signature in black ink that reads "Ruth A. Sorensen".

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Ruth A. Sorensen  
Property Tax Administrator



