# Table of Contents

Assessment Survey – General Information

**Certification**

**Maps**

Market Areas
Registered Wells > 500 GPM

**Valuation History Charts**

# 2013 Commission Summary

## for Dakota County

**Residential Real Property - Current**

| | | | |
|---|---|---|---|
| Number of Sales | 261 | Median | 93.79 |
| Total Sales Price | $27,438,805 | Mean | 103.89 |
| Total Adj. Sales Price | $27,438,805 | Wgt. Mean | 93.01 |
| Total Assessed Value | $25,521,090 | Average Assessed Value of the Base | $77,825 |
| Avg. Adj. Sales Price | $105,130 | Avg. Assessed Value | $97,782 |

**Confidence Interval - Current**

| | |
|---|---|
| 95% Median C.I | 91.97 to 96.52 |
| 95% Wgt. Mean C.I | 90.48 to 95.54 |
| 95% Mean C.I | 97.50 to 110.28 |
| % of Value of the Class of all Real Property Value in the | 37.48 |
| % of Records Sold in the Study Period | 4.02 |
| % of Value Sold in the Study Period | 5.05 |

**Residential Real Property - History**

| Year | Number of Sales | LOV | Median |
|---|---|---|---|
| **2012** | 280 | 94 | 93.83 |
| **2011** | 390 | 94 | 94 |
| **2010** | 387 | 95 | 95 |
| **2009** | 424 | 93 | 93 |

# 2013 Commission Summary

## for Dakota County

### Commercial Real Property - Current

| | | | |
|---|---|---|---|
| Number of Sales | 42 | Median | 99.92 |
| Total Sales Price | $14,692,391 | Mean | 107.91 |
| Total Adj. Sales Price | $14,617,391 | Wgt. Mean | 89.01 |
| Total Assessed Value | $13,010,970 | Average Assessed Value of the Base | $359,223 |
| Avg. Adj. Sales Price | $348,033 | Avg. Assessed Value | $309,785 |

### Confidence Interval - Current

| | |
|---|---|
| 95% Median C.I | 91.46 to 111.04 |
| 95% Wgt. Mean C.I | 79.37 to 98.65 |
| 95% Mean C.I | 89.72 to 126.10 |
| % of Value of the Class of all Real Property Value in the County | 23.33 |
| % of Records Sold in the Study Period | 4.79 |
| % of Value Sold in the Study Period | 4.13 |

### Commercial Real Property - History

| Year | Number of Sales | LOV | Median |
|---|---|---|---|
| **2012** | 36 | | 90.64 |
| **2011** | 35 | 98 | 98 |
| **2010** | 44 | 96 | 96 |
| **2009** | 61 | 96 | 96 |

# 2013 Opinions of the Property Tax Administrator for Dakota County

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

| Class | Level of Value | Quality of Assessment | Non-binding recommendation |
|---|---|---|---|
| **Residential Real Property** | **94** | Does not meet generally accepted mass appraisal practices. | Valuation Grouping # 21, an adjustment of 7.50% and # 25, an adjustment of 7%. |
| | | | |
| **Commercial Real Property** | ***NEI** | Does not meet generally accepted mass appraisal practices. | No recommendation. |
| | | | |
| **Agricultural Land** | **72** | Meets generally accepted mass appraisal practices. | No recommendation. |
| | | | |

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

Dated this 5th day of April, 2013.


Ruth A. Sorensen
Property Tax Administrator

# 2013 Residential Assessment Actions for Dakota County

Raised Emerson by putting an additional -5% economic on Emerson Residential.

# 2013 Residential Assessment Survey for Dakota County

| | |
|---|---|
| 1. | **Valuation data collection done by:** |
| | Appraiser/Assessor and Staff |
| 2. | **List the valuation groupings recognized by the County and describe the unique characteristics of each:** |

| Valuation Grouping | Description of unique characteristics |
|---|---|
| 1 | Dakota City |
| 2 | Dakota City V |
| 3 | Dakota City R |
| 4 | Dakota City RV |
| 5 | Emerson |
| 6 | Emerson V |
| 7 | Emerson R |
| 8 | Emerson RV |
| 9 | Homer |
| 10 | Homer V |
| 11 | Homer R |
| 12 | Homer RV |
| 13 | Hubbard |
| 14 | Hubbard V |
| 15 | Hubbard R |
| 16 | Hubbard RV |
| 17 | Jackson |
| 18 | Jackson V |
| 19 | Jackson R |
| 20 | Jackson RV |
| 21 | Rural |
| 22 | Rural V |
| 23 | South Sioux City |
| 24 | South Sioux City V |
| 25 | South Sioux City R |
| 26 | South Sioux City RV |
| 51 | SSC Proj |
| 52 | Likuwanabch |
| 53 | Dakota Flats |
| 54 | Pasado Tiempo |
| 55 | Canyon Est |
| 56 | Cotwd Est |
| 57 | Pasadio Tiempo 2 |

| | |
|---|---|
| 3. | **List and describe the approach(es) used to estimate the market value of residential properties. Sales comparison approach** |
| | |

| | |
|---|---|
| | Market sales with Market generated depreciation |
| 4 | **What is the costing year of the cost approach being used for each valuation grouping?** |
| | 2003 adjusted for time |
| 5. | **If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor?** |
| | Local Market |
| 6. | **Are individual depreciation tables developed for each valuation grouping?** |
| | Where necessary, some groups share a depreciation table. |
| 7. | **When were the depreciation tables last updated for each valuation grouping?** |
| | On going |
| 8. | **When was the last lot value study completed for each valuation grouping?** |
| | On going |
| 9. | **Describe the methodology used to determine the residential lot values?** |
| | Sales comparison |

**22 Dakota**

**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 : | 261 | MEDIAN : | 94 | COV : 50.72 | 95% Median C.I. : 91.97 to 96.52 |
| Total Sales Price : | 27,438,805 | WGT. MEAN : | 93 | STD : 52.69 | 95% Wgt. Mean C.I. : 90.48 to 95.54 |
| Total Adj. Sales Price : | 27,438,805 | MEAN : | 104 | Avg. Abs. Dev : 23.23 | 95% Mean C.I. : 97.50 to 110.28 |
| Total Assessed Value : | 25,521,090 | | | | |
| Avg. Adj. Sales Price : | 105,130 | COD : | 24.77 | MAX Sales Ratio : 531.22 | |
| Avg. Assessed Value : | 97,782 | PRD : | 111.70 | MIN Sales Ratio : 17.14 | *Printed:4/4/2013 10:05:24AM* |

**DATE OF SALE ***

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|---|---|---|---|---|---|---|---|---|---|---|---|
| _____Qrtrs_____ | | | | | | | | | | | |
| 01-OCT-10 To 31-DEC-10 | 24 | 90.95 | 105.94 | 91.41 | 34.23 | 115.90 | 29.14 | 281.64 | 75.88 to 107.01 | 81,348 | 74,360 |
| 01-JAN-11 To 31-MAR-11 | 12 | 92.29 | 101.29 | 92.68 | 20.54 | 109.29 | 71.63 | 195.98 | 85.52 to 108.97 | 92,885 | 86,086 |
| 01-APR-11 To 30-JUN-11 | 30 | 93.67 | 105.81 | 93.48 | 23.47 | 113.19 | 74.93 | 261.85 | 88.65 to 97.35 | 90,156 | 84,275 |
| 01-JUL-11 To 30-SEP-11 | 39 | 95.18 | 108.33 | 94.06 | 28.43 | 115.17 | 31.40 | 531.22 | 88.50 to 100.32 | 108,762 | 102,297 |
| 01-OCT-11 To 31-DEC-11 | 39 | 93.53 | 99.10 | 97.34 | 16.08 | 101.81 | 50.63 | 222.86 | 89.22 to 101.20 | 110,418 | 107,484 |
| 01-JAN-12 To 31-MAR-12 | 31 | 98.79 | 110.76 | 90.83 | 33.90 | 121.94 | 17.14 | 521.17 | 89.91 to 107.56 | 105,295 | 95,636 |
| 01-APR-12 To 30-JUN-12 | 40 | 94.16 | 102.48 | 93.67 | 23.23 | 109.41 | 56.30 | 343.88 | 86.44 to 100.00 | 117,116 | 109,707 |
| 01-JUL-12 To 30-SEP-12 | 46 | 92.29 | 99.15 | 89.76 | 19.67 | 110.46 | 56.55 | 287.30 | 87.09 to 99.67 | 112,399 | 100,885 |
| _____Study Yrs_____ | | | | | | | | | | | |
| 01-OCT-10 To 30-SEP-11 | 105 | 93.76 | 106.26 | 93.23 | 27.36 | 113.98 | 29.14 | 531.22 | 88.87 to 97.35 | 95,366 | 88,909 |
| 01-OCT-11 To 30-SEP-12 | 156 | 93.94 | 102.30 | 92.88 | 22.98 | 110.14 | 17.14 | 521.17 | 91.25 to 97.31 | 111,701 | 103,754 |
| _____Calendar Yrs_____ | | | | | | | | | | | |
| 01-JAN-11 To 31-DEC-11 | 120 | 93.78 | 103.99 | 94.95 | 22.50 | 109.52 | 31.40 | 531.22 | 90.83 to 96.52 | 103,061 | 97,856 |
| _____ALL_____ | 261 | 93.79 | 103.89 | 93.01 | 24.77 | 111.70 | 17.14 | 531.22 | 91.97 to 96.52 | 105,130 | 97,782 |

**VALUATION GROUPING**

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 01 | 30 | 95.65 | 95.09 | 92.44 | 13.19 | 102.87 | 74.10 | 123.91 | 84.70 to 103.53 | 97,750 | 90,360 |
| 03 | 1 | 72.56 | 72.56 | 72.56 | 00.00 | 100.00 | 72.56 | 72.56 | N/A | 200,000 | 145,125 |
| 05 | 12 | 92.97 | 107.98 | 91.83 | 28.41 | 117.59 | 72.91 | 195.98 | 76.14 to 142.55 | 70,549 | 64,788 |
| 09 | 8 | 90.73 | 102.08 | 92.06 | 22.31 | 110.88 | 78.19 | 162.24 | 78.19 to 162.24 | 96,850 | 89,164 |
| 11 | 2 | 93.61 | 93.61 | 84.29 | 16.48 | 111.06 | 78.18 | 109.04 | N/A | 99,750 | 84,083 |
| 13 | 4 | 99.17 | 99.59 | 98.02 | 10.56 | 101.60 | 87.09 | 112.92 | N/A | 97,800 | 95,868 |
| 17 | 4 | 79.98 | 80.86 | 84.08 | 09.84 | 96.17 | 71.99 | 91.48 | N/A | 91,375 | 76,829 |
| 19 | 1 | 31.40 | 31.40 | 31.40 | 00.00 | 100.00 | 31.40 | 31.40 | N/A | 124,000 | 38,940 |
| 21 | 21 | 89.38 | 95.28 | 88.03 | 18.28 | 108.24 | 68.89 | 219.27 | 78.48 to 96.52 | 134,640 | 118,518 |
| 23 | 153 | 95.97 | 107.11 | 95.72 | 25.11 | 111.90 | 23.62 | 521.17 | 93.67 to 98.19 | 103,971 | 99,525 |
| 25 | 20 | 89.85 | 92.16 | 86.87 | 23.28 | 106.09 | 17.14 | 222.86 | 80.85 to 98.94 | 120,288 | 104,497 |
| 51 | 2 | 98.18 | 98.18 | 95.16 | 11.05 | 103.17 | 87.33 | 109.02 | N/A | 90,000 | 85,648 |
| 52 | 2 | 88.63 | 88.63 | 91.39 | 15.59 | 96.98 | 74.81 | 102.44 | N/A | 137,500 | 125,655 |
| 54 | 1 | 531.22 | 531.22 | 531.22 | 00.00 | 100.00 | 531.22 | 531.22 | N/A | 9,000 | 47,810 |
| _____ALL_____ | 261 | 93.79 | 103.89 | 93.01 | 24.77 | 111.70 | 17.14 | 531.22 | 91.97 to 96.52 | 105,130 | 97,782 |

**22 Dakota**

**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 : | 261 | MEDIAN : | 94 | COV : | 50.72 |
| Total Sales Price : | 27,438,805 | WGT. MEAN : | 93 | STD : | 52.69 |
| Total Adj. Sales Price : | 27,438,805 | MEAN : | 104 | Avg. Abs. Dev : | 23.23 |
| Total Assessed Value : | 25,521,090 | | | | |
| Avg. Adj. Sales Price : | 105,130 | COD : | 24.77 | MAX Sales Ratio : | 531.22 |
| Avg. Assessed Value : | 97,782 | PRD : | 111.70 | MIN Sales Ratio : | 17.14 |

95% Median C.I. : 91.97 to 96.52

95% Wgt. Mean C.I. : 90.48 to 95.54

95% Mean C.I. : 97.50 to 110.28

*Printed:4/4/2013 10:05:24AM*

**PROPERTY TYPE ***

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 01 | 260 | 93.81 | 104.00 | 93.05 | 24.77 | 111.77 | 17.14 | 531.22 | 91.97 to 96.55 | 105,336 | 98,012 |
| 06 | | | | | | | | | | | |
| 07 | 1 | 73.98 | 73.98 | 73.98 | 00.00 | 100.00 | 73.98 | 73.98 | N/A | 51,500 | 38,100 |
| _____ALL_____ | 261 | 93.79 | 103.89 | 93.01 | 24.77 | 111.70 | 17.14 | 531.22 | 91.97 to 96.52 | 105,130 | 97,782 |

**SALE PRICE ***

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|---|---|---|---|---|---|---|---|---|---|---|---|
| _____Low $ Ranges_____ | | | | | | | | | | | |
| Less Than 5,000 | | | | | | | | | | | |
| Less Than 15,000 | 5 | 287.30 | 315.02 | 304.30 | 56.87 | 103.52 | 92.85 | 531.22 | N/A | 10,700 | 32,560 |
| Less Than 30,000 | 19 | 192.10 | 216.17 | 195.80 | 48.89 | 110.40 | 73.15 | 531.22 | 123.78 to 281.64 | 20,224 | 39,597 |
| __Ranges Excl. Low $__ | | | | | | | | | | | |
| Greater Than 4,999 | 261 | 93.79 | 103.89 | 93.01 | 24.77 | 111.70 | 17.14 | 531.22 | 91.97 to 96.52 | 105,130 | 97,782 |
| Greater Than 14,999 | 256 | 93.72 | 99.77 | 92.60 | 20.65 | 107.74 | 17.14 | 343.88 | 91.25 to 96.28 | 106,974 | 99,056 |
| Greater Than 29,999 | 242 | 93.44 | 95.07 | 91.55 | 16.27 | 103.84 | 17.14 | 248.78 | 90.72 to 95.23 | 111,796 | 102,350 |
| __Incremental Ranges__ | | | | | | | | | | | |
| 0 TO 4,999 | | | | | | | | | | | |
| 5,000 TO 14,999 | 5 | 287.30 | 315.02 | 304.30 | 56.87 | 103.52 | 92.85 | 531.22 | N/A | 10,700 | 32,560 |
| 15,000 TO 29,999 | 14 | 177.17 | 180.86 | 178.24 | 35.16 | 101.47 | 73.15 | 343.88 | 92.10 to 261.85 | 23,625 | 42,110 |
| 30,000 TO 59,999 | 37 | 108.97 | 116.75 | 115.18 | 27.01 | 101.36 | 50.63 | 248.78 | 97.90 to 118.17 | 44,893 | 51,709 |
| 60,000 TO 99,999 | 69 | 96.28 | 94.96 | 94.68 | 14.19 | 100.30 | 17.14 | 142.97 | 90.65 to 99.67 | 79,448 | 75,220 |
| 100,000 TO 149,999 | 87 | 92.45 | 90.29 | 90.28 | 10.72 | 100.01 | 23.62 | 133.30 | 87.68 to 95.18 | 121,952 | 110,096 |
| 150,000 TO 249,999 | 44 | 88.69 | 87.55 | 87.27 | 12.68 | 100.32 | 56.55 | 128.77 | 79.53 to 91.97 | 178,995 | 156,216 |
| 250,000 TO 499,999 | 5 | 79.75 | 85.82 | 85.09 | 19.52 | 100.86 | 64.82 | 120.09 | N/A | 285,200 | 242,681 |
| 500,000 TO 999,999 | | | | | | | | | | | |
| 1,000,000 + | | | | | | | | | | | |
| _____ALL_____ | 261 | 93.79 | 103.89 | 93.01 | 24.77 | 111.70 | 17.14 | 531.22 | 91.97 to 96.52 | 105,130 | 97,782 |

**RESIDENTIAL IMPROVED** **Type : Qualified**

| | | | | | | |
|---|---|---|---|---|---|---|
| Number of Sales : | 261 | Median : | 95 | COV : | 50.30 | 95% Median C.I. : | 93.45 to 97.21 |
| Total Sales Price : | 27,438,805 | Wgt. Mean : | 94 | STD : | 52.80 | 95% Wgt. Mean C.I. : | 91.69 to 96.76 |
| Total Adj. Sales Price : | 27,438,805 | Mean : | 105 | Avg.Abs.Dev : | 23.26 | 95% Mean C.I. : | 98.55 to 111.37 |
| Total Assessed Value : | 25,854,053 | | | | | | |
| Avg. Adj. Sales Price : | 105,130 | COD : | 24.43 | MAX Sales Ratio : | 531.22 | | |
| Avg. Assessed Value : | 99,058 | PRD : | 111.40 | MIN Sales Ratio : | 18.34 | | |

**DATE OF SALE ***

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95% Median C.I. | Avg.Adj.SalePrice | Avg.AssdValue |
|---|---|---|---|---|---|---|---|---|---|---|---|
| _____Qrtrs_____ | | | | | | | | | | | |
| 10/01/2010 To 12/31/2010 | 24 | 90.95 | 106.18 | 91.93 | 33.96 | 115.50 | 29.14 | 281.64 | 79.66 to 107.01 | 81,348 | 74,787 |
| 01/01/2011 To 03/31/2011 | 12 | 95.66 | 102.87 | 94.90 | 19.78 | 108.40 | 74.58 | 195.98 | 85.52 to 108.97 | 92,885 | 88,143 |
| 04/01/2011 To 06/30/2011 | 30 | 93.73 | 106.23 | 94.31 | 23.39 | 112.64 | 75.11 | 261.85 | 88.65 to 99.04 | 90,156 | 85,025 |
| 07/01/2011 To 09/30/2011 | 39 | 95.97 | 109.87 | 95.51 | 27.57 | 115.04 | 31.40 | 531.22 | 92.82 to 100.32 | 108,762 | 103,879 |
| 10/01/2011 To 12/31/2011 | 39 | 96.28 | 100.61 | 98.66 | 15.59 | 101.98 | 50.63 | 238.46 | 89.68 to 101.20 | 110,418 | 108,934 |
| 01/01/2012 To 03/31/2012 | 31 | 98.79 | 111.98 | 91.77 | 34.68 | 122.02 | 18.34 | 521.17 | 89.91 to 107.56 | 105,295 | 96,626 |
| 04/01/2012 To 06/30/2012 | 40 | 95.47 | 103.20 | 94.59 | 23.11 | 109.10 | 56.30 | 343.88 | 86.44 to 100.00 | 117,116 | 110,784 |
| 07/01/2012 To 09/30/2012 | 46 | 92.72 | 100.37 | 91.37 | 19.89 | 109.85 | 60.51 | 287.30 | 87.09 to 101.58 | 112,399 | 102,702 |
| _____Study Yrs_____ | | | | | | | | | | | |
| 10/01/2010 To 09/30/2011 | 105 | 95.09 | 107.19 | 94.42 | 26.72 | 113.52 | 29.14 | 531.22 | 92.82 to 97.71 | 95,366 | 90,044 |
| 10/01/2011 To 09/30/2012 | 156 | 95.82 | 103.46 | 94.11 | 22.75 | 109.94 | 18.34 | 521.17 | 92.10 to 98.93 | 111,701 | 105,125 |
| _____Calendar Yrs_____ | | | | | | | | | | | |
| 01/01/2011 To 12/31/2011 | 120 | 95.19 | 105.25 | 96.29 | 21.97 | 109.31 | 31.40 | 531.22 | 93.67 to 97.71 | 103,061 | 99,235 |

**RESIDENTIAL IMPROVED** **Type : Qualified**

| | | | | | | |
|---|---|---|---|---|---|---|
| Number of Sales : | 261 | Median : | 95 | COV : | 50.30 | 95% Median C.I. : | 93.45 to 97.21 |
| Total Sales Price : | 27,438,805 | Wgt. Mean : | 94 | STD : | 52.80 | 95% Wgt. Mean C.I. : | 91.69 to 96.76 |
| Total Adj. Sales Price : | 27,438,805 | Mean : | 105 | Avg.Abs.Dev : | 23.26 | 95% Mean C.I. : | 98.55 to 111.37 |
| Total Assessed Value : | 25,854,053 | | | | | | |
| Avg. Adj. Sales Price : | 105,130 | COD : | 24.43 | MAX Sales Ratio : | 531.22 | | |
| Avg. Assessed Value : | 99,058 | PRD : | 111.40 | MIN Sales Ratio : | 18.34 | | |

## VALUATION GROUPING

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95% Median C.I. | Avg.Adj.SalePrice | Avg.AssdValue |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 01 | 30 | 95.65 | 95.09 | 92.44 | 13.19 | 102.87 | 74.10 | 123.91 | 84.70 to 103.53 | 97,750 | 90,360 |
| 03 | 1 | 72.56 | 72.56 | 72.56 | | 100.00 | 72.56 | 72.56 | N/A | 200,000 | 145,125 |
| 05 | 12 | 92.97 | 107.98 | 91.83 | 28.41 | 117.59 | 72.91 | 195.98 | 76.14 to 142.55 | 70,549 | 64,788 |
| 09 | 8 | 90.73 | 102.08 | 92.06 | 22.31 | 110.88 | 78.19 | 162.24 | 78.19 to 162.24 | 96,850 | 89,164 |
| 11 | 2 | 93.61 | 93.61 | 84.29 | 16.48 | 111.06 | 78.18 | 109.04 | N/A | 99,750 | 84,083 |
| 13 | 4 | 99.17 | 99.59 | 98.02 | 10.56 | 101.60 | 87.09 | 112.92 | N/A | 97,800 | 95,868 |
| 17 | 4 | 79.98 | 80.86 | 84.08 | 09.84 | 96.17 | 71.99 | 91.48 | N/A | 91,375 | 76,829 |
| 19 | 1 | 31.40 | 31.40 | 31.40 | | 100.00 | 31.40 | 31.40 | N/A | 124,000 | 38,940 |
| 21 | 21 | 96.08 | 102.42 | 94.63 | 18.29 | 108.23 | 74.06 | 235.72 | 84.36 to 103.76 | 134,640 | 127,407 |
| 23 | 153 | 95.97 | 107.11 | 95.72 | 25.11 | 111.90 | 23.62 | 521.17 | 93.67 to 98.19 | 103,971 | 99,525 |
| 25 | 20 | 96.14 | 98.61 | 92.95 | 23.29 | 106.09 | 18.34 | 238.46 | 86.51 to 105.87 | 120,288 | 111,812 |
| 51 | 2 | 98.18 | 98.18 | 95.16 | 11.05 | 103.17 | 87.33 | 109.02 | N/A | 90,000 | 85,648 |
| 52 | 2 | 88.63 | 88.63 | 91.39 | 15.59 | 96.98 | 74.81 | 102.44 | N/A | 137,500 | 125,655 |
| 54 | 1 | 531.22 | 531.22 | 531.22 | | 100.00 | 531.22 | 531.22 | N/A | 9,000 | 47,810 |

## PROPERTY TYPE *

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95% Median C.I. | Avg.Adj.SalePrice | Avg.AssdValue |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 01 | 260 | 95.22 | 105.08 | 94.26 | 24.44 | 111.48 | 18.34 | 531.22 | 93.45 to 97.31 | 105,336 | 99,292 |
| 06 | | | | | | | | | | | |
| 07 | 1 | 73.98 | 73.98 | 73.98 | | 100.00 | 73.98 | 73.98 | N/A | 51,500 | 38,100 |

**RESIDENTIAL IMPROVED** **Type : Qualified**

| | | | | | |
|---|---|---|---|---|---|
| Number of Sales : | 261 | Median : | 95 | COV : | 50.30 | 95% Median C.I. : | 93.45 to 97.21 |
| Total Sales Price : | 27,438,805 | Wgt. Mean : | 94 | STD : | 52.80 | 95% Wgt. Mean C.I. : | 91.69 to 96.76 |
| Total Adj. Sales Price : | 27,438,805 | Mean : | 105 | Avg.Abs.Dev : | 23.26 | 95% Mean C.I. : | 98.55 to 111.37 |
| Total Assessed Value : | 25,854,053 | | | | | | |
| Avg. Adj. Sales Price : | 105,130 | COD : | 24.43 | MAX Sales Ratio : | 531.22 | | |
| Avg. Assessed Value : | 99,058 | PRD : | 111.40 | MIN Sales Ratio : | 18.34 | | |

**SALE PRICE ***

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95% Median C.I. | Avg.Adj.SalePrice | Avg.AssdValue |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Less Than 5,000 | | | | | | | | | | | |
| Less Than 15,000 | 5 | 287.30 | 316.32 | 305.88 | 56.42 | 103.41 | 99.35 | 531.22 | N/A | 10,700 | 32,729 |
| Less Than 30,000 | 19 | 192.10 | 217.93 | 197.72 | 48.82 | 110.22 | 78.27 | 531.22 | 123.78 to 281.64 | 20,224 | 39,985 |
| __Ranges Excl. Low $__ | | | | | | | | | | | |
| Greater Than 4,999 | 261 | 95.20 | 104.96 | 94.22 | 24.43 | 111.40 | 18.34 | 531.22 | 93.45 to 97.21 | 105,130 | 99,058 |
| Greater Than 15,000 | 256 | 95.12 | 100.83 | 93.81 | 20.40 | 107.48 | 18.34 | 343.88 | 93.07 to 97.06 | 106,974 | 100,353 |
| Greater Than 30,000 | 242 | 94.50 | 96.09 | 92.75 | 16.16 | 103.60 | 18.34 | 248.78 | 92.35 to 96.65 | 111,796 | 103,696 |
| __Incremental Ranges__ | | | | | | | | | | | |
| 0 TO 4,999 | | | | | | | | | | | |
| 5,000 TO 14,999 | 5 | 287.30 | 316.32 | 305.88 | 56.42 | 103.41 | 99.35 | 531.22 | N/A | 10,700 | 32,729 |
| 15,000 TO 29,999 | 14 | 177.17 | 182.79 | 180.22 | 35.33 | 101.43 | 78.27 | 343.88 | 95.09 to 261.85 | 23,625 | 42,577 |
| 30,000 TO 59,999 | 37 | 108.97 | 117.82 | 116.31 | 27.71 | 101.30 | 50.63 | 248.78 | 97.90 to 120.29 | 44,893 | 52,216 |
| 60,000 TO 99,999 | 69 | 96.91 | 95.61 | 95.30 | 14.37 | 100.33 | 18.34 | 142.97 | 91.14 to 101.58 | 79,448 | 75,716 |
| 100,000 TO 149,999 | 87 | 93.76 | 90.98 | 91.00 | 10.71 | 99.98 | 23.62 | 133.30 | 88.56 to 96.08 | 121,952 | 110,978 |
| 150,000 TO 249,999 | 44 | 89.36 | 89.56 | 89.34 | 12.30 | 100.25 | 60.51 | 128.77 | 81.61 to 95.20 | 178,995 | 159,913 |
| 250,000 TO 499,999 | 5 | 79.75 | 88.20 | 87.43 | 19.84 | 100.88 | 64.82 | 120.09 | N/A | 285,200 | 249,339 |
| 500,000 TO 999,999 | | | | | | | | | | | |
| 1,000,000 + | | | | | | | | | | | |

## SUMMARY OF ADJUSTED PARAMETERS FOR CALCULATION FROM USER FILE

| Strata Heading | Strata | Change Value | Change Type | Percent Change |
|---|---|---|---|---|
| VALUATION GROUPING | 21 | Total | Increase | 7.5% |
| VALUATION GROUPING | 25 | Total | Increase | 7% |

## A. Residential Real Property

Dakota County is located in the northeast portion of the state and primarily influenced by the nearby Sioux City economies. The population base of the county is near 21,000 and 64% of population base is in the city of South Sioux City (Valuation Groups 23 and 25). Dakota City is the next largest population base and the county seat. Emerson (Valuation Group 5) is located in Dakota, Dixon and Thurston counties with the east half (East of Highway 9) of the village in Dakota County. Smaller communities include Jackson (Valuation Group 17 and 19) west of South Sioux City on Highway 20. The village of Homer (Valuation Group 9 and 11) is located south of Dakota City on Highway 75-77 and Hubbard (Valuation Group 13) is west of Dakota City on Highway 35.

The residential markets tend to be holding and 59% of the statistical profile is located in Valuation Group 23 indicating a statistical median of 95.97% (96%). The county reported in the assessment actions portion of the survey that the Valuation Group 5 (Emerson) received a 5% increase.

Further review of the county defined valuation groupings indicated that there are two groupings below the acceptable level of value with sufficient sales to represent the population. Valuation Group 21 (Rural) consists of 21 sales with a median at 89.38%. There are 425 total parcels represented in this valuation group. Based on review of the past assessment actions this valuation group has not been referred to as being reviewed-updated by the county in the past three assessment cycles. Historically this group has had reasonable representation in the sales file. However, based on the lack of assessment actions, the Department is recommending an increase of 7.5% to achieve a level of value at 96% in Valuation Group 21.

Valuation Group 25 (South Sioux City R) consists of 20 sales with a median at 89.85%. There are 468 total parcels represented in this valuation group. Review of the past assessment actions indicates that the county has made percentage increases to various county identified subgroupings in GEO Codes 703 and 704 in the 2011 and 2012 assessment years. The county indicated no change to this particular valuation group for the 2013 assessment year. Based on the known assessment actions, the Department is recommending an increase of 7% to achieve a level of value at 96% in Valuation Group 25.

The Division has conducted an expanded review in 2012 of Dakota County concerning the inspection and review of the real class of property. It is noted in the findings that the county had started the review prior to the law mandate and is currently in the second cyclical review. Further findings indicated that the photos in the property record card are dated between 2007 and 2011. Additionally, the Division conducted a review of each county's sales verification and documentation. The conclusion of the review indicates no bias in the sales verification and that Dakota County utilized all arm's length transactions available.

Based on the consideration of all available information, the overall level of value in the residential class is determined to be 94% of market value. However, this level would increase to 95% when the recommendation to Valuation Group 21 is increased 7.5% andValuation Group 25 is increased 7%.

## 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.

## 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.

## 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

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 Dakota County

Raised improvement values on Occ Code 352 ( Multiple Residents) by 10%

Raised improvement values on Occ Code 353 ( Retail) by 7.5%

Studied land values on Dakota Avenue and adjusted accordingly

# 2013 Commercial Assessment Survey for Dakota County

| | |
|---|---|
| 1. | **Valuation data collection done by:** |
| | Appraiser/Assessor and staff |
| 2. | **List the valuation groupings recognized in the County and describe the unique characteristics of each:** |

| Valuation Grouping | Description of unique characteristics |
|---|---|
| 1 | Dakota City |
| 2 | Dakota City V |
| 3 | Dakota City R |
| 4 | Dakota City RV |
| 5 | Emerson |
| 6 | Emerson V |
| 7 | Emerson R |
| 8 | Emerson RV |
| 9 | Homer |
| 10 | Homer V |
| 11 | Homer R |
| 12 | Homer RV |
| 13 | Hubbard |
| 14 | Hubbard V |
| 15 | Hubbard R |
| 16 | Hubbard RV |
| 17 | Jackson |
| 18 | Jackson V |
| 19 | Jackson R |
| 20 | Jackson RV |
| 21 | Rural |
| 22 | Rural V |
| 23 | South Sioux City |
| 24 | South Sioux City V |
| 25 | South Sioux City R |
| 26 | South Sioux City RV |
| 51 | SSC Proj |
| 52 | Likuwanabch |
| 53 | Dakota Flats |
| 54 | Pasado Tiempo |
| 55 | Canyon Est |
| 56 | Cotwd Est |
| 57 | Pasadio Tiempo 2 |

| | |
|---|---|
| 3. | **List and describe the approach(es) used to estimate the market value of commercial properties.** |
| | Market |

| | |
|---|---|
| 3a. | **Describe the process used to determine the value of unique commercial properties.** |
| | Actual construction cost or segmented method. |
| 4. | **What is the costing year of the cost approach being used for each valuation grouping?** |
| | 2003 with adjustments for time |
| 5. | **If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor?** |
| | Local Market |
| 6. | **Are individual depreciation tables developed for each valuation grouping?** |
| | Yes |
| 7. | **When were the depreciation tables last updated for each valuation grouping?** |
| | On going |
| 8. | **When was the last lot value study completed for each valuation grouping?** |
| | On going |
| 9. | **Describe the methodology used to determine the commercial lot values.** |
| | We consider sale price, size, location, zoning and whether or not it bought by an adjoining property owner |

**22 Dakota**

**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 : | 42 | MEDIAN : | 100 | COV : | 55.74 |
| Total Sales Price : | 14,692,391 | WGT. MEAN : | 89 | STD : | 60.15 |
| Total Adj. Sales Price : | 14,617,391 | MEAN : | 108 | Avg. Abs. Dev : | 32.03 |
| Total Assessed Value : | 13,010,970 | | | | |
| Avg. Adj. Sales Price : | 348,033 | COD : | 32.06 | MAX Sales Ratio : | 410.45 |
| Avg. Assessed Value : | 309,785 | PRD : | 121.23 | MIN Sales Ratio : | 40.75 |

| | |
|---|---|
| 95% Median C.I. : | 91.46 to 111.04 |
| 95% Wgt. Mean C.I. : | 79.37 to 98.65 |
| 95% Mean C.I. : | 89.72 to 126.10 |

*Printed:4/4/2013 10:05:25AM*

**DATE OF SALE ***

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|---|---|---|---|---|---|---|---|---|---|---|---|
| _____Qrtrs_____ | | | | | | | | | | | |
| 01-OCT-09 To 31-DEC-09 | | | | | | | | | | | |
| 01-JAN-10 To 31-MAR-10 | | | | | | | | | | | |
| 01-APR-10 To 30-JUN-10 | 6 | 120.82 | 184.93 | 127.67 | 62.01 | 144.85 | 91.59 | 410.45 | 91.59 to 410.45 | 187,392 | 239,252 |
| 01-JUL-10 To 30-SEP-10 | 2 | 111.71 | 111.71 | 111.49 | 00.60 | 100.20 | 111.04 | 112.38 | N/A | 277,500 | 309,385 |
| 01-OCT-10 To 31-DEC-10 | 6 | 86.60 | 94.32 | 86.23 | 13.52 | 109.38 | 79.77 | 132.67 | 79.77 to 132.67 | 987,676 | 851,654 |
| 01-JAN-11 To 31-MAR-11 | 5 | 91.46 | 88.88 | 91.49 | 07.47 | 97.15 | 73.62 | 99.87 | N/A | 209,090 | 191,289 |
| 01-APR-11 To 30-JUN-11 | 6 | 112.45 | 115.61 | 110.45 | 13.04 | 104.67 | 93.93 | 148.03 | 93.93 to 148.03 | 105,833 | 116,897 |
| 01-JUL-11 To 30-SEP-11 | | | | | | | | | | | |
| 01-OCT-11 To 31-DEC-11 | 3 | 109.06 | 87.50 | 76.49 | 21.99 | 114.39 | 40.75 | 112.69 | N/A | 110,000 | 84,142 |
| 01-JAN-12 To 31-MAR-12 | 5 | 102.03 | 103.18 | 100.69 | 39.22 | 102.47 | 42.68 | 166.66 | N/A | 113,394 | 114,182 |
| 01-APR-12 To 30-JUN-12 | 3 | 50.95 | 65.10 | 70.34 | 40.96 | 92.55 | 40.87 | 103.47 | N/A | 554,884 | 390,305 |
| 01-JUL-12 To 30-SEP-12 | 6 | 86.06 | 86.92 | 79.23 | 24.10 | 109.71 | 51.62 | 122.41 | 51.62 to 122.41 | 461,652 | 365,782 |
| _____Study Yrs_____ | | | | | | | | | | | |
| 01-OCT-09 To 30-SEP-10 | 8 | 119.22 | 166.62 | 122.33 | 48.82 | 136.21 | 91.59 | 410.45 | 91.59 to 410.45 | 209,919 | 256,785 |
| 01-OCT-10 To 30-SEP-11 | 17 | 93.93 | 100.23 | 88.97 | 15.76 | 112.66 | 73.62 | 148.03 | 85.78 to 115.94 | 447,441 | 398,103 |
| 01-OCT-11 To 30-SEP-12 | 17 | 92.24 | 87.95 | 78.57 | 33.61 | 111.94 | 40.75 | 166.66 | 50.95 to 112.69 | 313,620 | 246,408 |
| _____Calendar Yrs_____ | | | | | | | | | | | |
| 01-JAN-10 To 31-DEC-10 | 14 | 111.71 | 135.63 | 94.20 | 40.10 | 143.98 | 79.77 | 410.45 | 86.31 to 132.67 | 543,243 | 511,729 |
| 01-JAN-11 To 31-DEC-11 | 14 | 99.92 | 100.04 | 95.02 | 17.32 | 105.28 | 40.75 | 148.03 | 85.78 to 115.94 | 143,604 | 136,446 |
| _____ALL_____ | 42 | 99.92 | 107.91 | 89.01 | 32.06 | 121.23 | 40.75 | 410.45 | 91.46 to 111.04 | 348,033 | 309,785 |

**VALUATION GROUPING**

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 01 | 10 | 110.67 | 140.77 | 125.71 | 42.36 | 111.98 | 73.62 | 410.45 | 86.31 to 166.66 | 77,800 | 97,801 |
| 03 | 1 | 112.69 | 112.69 | 112.69 | 00.00 | 100.00 | 112.69 | 112.69 | N/A | 50,000 | 56,345 |
| 23 | 28 | 96.10 | 98.12 | 89.26 | 29.13 | 109.93 | 40.75 | 247.21 | 81.74 to 111.04 | 389,178 | 347,384 |
| 25 | 3 | 93.93 | 88.15 | 77.79 | 12.92 | 113.32 | 67.04 | 103.47 | N/A | 964,138 | 749,955 |
| _____ALL_____ | 42 | 99.92 | 107.91 | 89.01 | 32.06 | 121.23 | 40.75 | 410.45 | 91.46 to 111.04 | 348,033 | 309,785 |

**PROPERTY TYPE ***

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 02 | | | | | | | | | | | |
| 03 | 42 | 99.92 | 107.91 | 89.01 | 32.06 | 121.23 | 40.75 | 410.45 | 91.46 to 111.04 | 348,033 | 309,785 |
| 04 | | | | | | | | | | | |
| _____ALL_____ | 42 | 99.92 | 107.91 | 89.01 | 32.06 | 121.23 | 40.75 | 410.45 | 91.46 to 111.04 | 348,033 | 309,785 |

**22 Dakota**

**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 : | 42 | MEDIAN : | 100 | COV : | 55.74 |
| Total Sales Price : | 14,692,391 | WGT. MEAN : | 89 | STD : | 60.15 |
| Total Adj. Sales Price : | 14,617,391 | MEAN : | 108 | Avg. Abs. Dev : | 32.03 |
| Total Assessed Value : | 13,010,970 | | | | |
| Avg. Adj. Sales Price : | 348,033 | COD : | 32.06 | MAX Sales Ratio : | 410.45 |
| Avg. Assessed Value : | 309,785 | PRD : | 121.23 | MIN Sales Ratio : | 40.75 |

| | |
|---|---|
| 95% Median C.I. : | 91.46 to 111.04 |
| 95% Wgt. Mean C.I. : | 79.37 to 98.65 |
| 95% Mean C.I. : | 89.72 to 126.10 |

*Printed:4/4/2013 10:05:25AM*

**SALE PRICE ***

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|---|---|---|---|---|---|---|---|---|---|---|---|
| _____Low $ Ranges_____ | | | | | | | | | | | |
| Less Than 5,000 | | | | | | | | | | | |
| Less Than 15,000 | | | | | | | | | | | |
| Less Than 30,000 | | | | | | | | | | | |
| __Ranges Excl. Low $__ | | | | | | | | | | | |
| Greater Than 4,999 | 42 | 99.92 | 107.91 | 89.01 | 32.06 | 121.23 | 40.75 | 410.45 | 91.46 to 111.04 | 348,033 | 309,785 |
| Greater Than 14,999 | 42 | 99.92 | 107.91 | 89.01 | 32.06 | 121.23 | 40.75 | 410.45 | 91.46 to 111.04 | 348,033 | 309,785 |
| Greater Than 29,999 | 42 | 99.92 | 107.91 | 89.01 | 32.06 | 121.23 | 40.75 | 410.45 | 91.46 to 111.04 | 348,033 | 309,785 |
| __Incremental Ranges__ | | | | | | | | | | | |
| 0 TO 4,999 | | | | | | | | | | | |
| 5,000 TO 14,999 | | | | | | | | | | | |
| 15,000 TO 29,999 | | | | | | | | | | | |
| 30,000 TO 59,999 | 9 | 112.69 | 144.78 | 135.29 | 40.29 | 107.01 | 73.62 | 410.45 | 99.97 to 140.31 | 44,219 | 59,822 |
| 60,000 TO 99,999 | 7 | 93.68 | 111.84 | 115.16 | 51.97 | 97.12 | 42.68 | 247.21 | 42.68 to 247.21 | 74,193 | 85,442 |
| 100,000 TO 149,999 | 6 | 105.55 | 112.04 | 113.29 | 17.54 | 98.90 | 86.31 | 166.66 | 86.31 to 166.66 | 120,333 | 136,322 |
| 150,000 TO 249,999 | 7 | 81.74 | 80.58 | 81.86 | 33.33 | 98.44 | 40.75 | 132.67 | 40.75 to 132.67 | 173,214 | 141,799 |
| 250,000 TO 499,999 | 5 | 93.93 | 96.44 | 96.37 | 07.14 | 100.07 | 85.78 | 111.04 | N/A | 345,990 | 333,430 |
| 500,000 TO 999,999 | 5 | 103.47 | 98.81 | 94.99 | 17.71 | 104.02 | 50.95 | 122.41 | N/A | 647,411 | 614,965 |
| 1,000,000 + | 3 | 79.77 | 77.90 | 78.28 | 08.30 | 99.51 | 67.04 | 86.89 | N/A | 2,266,189 | 1,773,993 |
| _____ALL_____ | 42 | 99.92 | 107.91 | 89.01 | 32.06 | 121.23 | 40.75 | 410.45 | 91.46 to 111.04 | 348,033 | 309,785 |

**22 Dakota**

**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 : | 42 | MEDIAN : | 100 | COV : | 55.74 |
| Total Sales Price : | 14,692,391 | WGT. MEAN : | 89 | STD : | 60.15 |
| Total Adj. Sales Price : | 14,617,391 | MEAN : | 108 | Avg. Abs. Dev : | 32.03 |
| Total Assessed Value : | 13,010,970 | | | | |
| Avg. Adj. Sales Price : | 348,033 | COD : | 32.06 | MAX Sales Ratio : | 410.45 |
| Avg. Assessed Value : | 309,785 | PRD : | 121.23 | MIN Sales Ratio : | 40.75 |

| | |
|---|---|
| 95% Median C.I. : | 91.46 to 111.04 |
| 95% Wgt. Mean C.I. : | 79.37 to 98.65 |
| 95% Mean C.I. : | 89.72 to 126.10 |

*Printed:4/4/2013 10:05:25AM*

**OCCUPANCY CODE**

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Blank | 1 | 67.04 | 67.04 | 67.04 | 00.00 | 100.00 | 67.04 | 67.04 | N/A | 1,967,413 | 1,318,990 |
| 300 | 2 | 83.33 | 83.33 | 82.86 | 04.27 | 100.57 | 79.77 | 86.89 | N/A | 2,415,577 | 2,001,495 |
| 325 | 1 | 51.62 | 51.62 | 51.62 | 00.00 | 100.00 | 51.62 | 51.62 | N/A | 60,000 | 30,970 |
| 326 | 4 | 115.69 | 141.09 | 114.57 | 36.18 | 123.15 | 85.78 | 247.21 | N/A | 287,338 | 329,191 |
| 341 | 2 | 135.22 | 135.22 | 126.29 | 09.47 | 107.07 | 122.41 | 148.03 | N/A | 313,750 | 396,225 |
| 343 | 2 | 105.45 | 105.45 | 101.68 | 06.57 | 103.71 | 98.52 | 112.38 | N/A | 404,950 | 411,773 |
| 344 | 3 | 108.95 | 114.31 | 110.98 | 14.26 | 103.00 | 93.68 | 140.31 | N/A | 56,657 | 62,880 |
| 352 | 5 | 99.87 | 97.31 | 94.97 | 26.50 | 102.46 | 40.87 | 132.67 | N/A | 180,990 | 171,893 |
| 353 | 7 | 91.46 | 78.03 | 67.44 | 29.05 | 115.70 | 40.75 | 119.75 | 40.75 to 119.75 | 245,308 | 165,437 |
| 384 | 1 | 79.88 | 79.88 | 79.88 | 00.00 | 100.00 | 79.88 | 79.88 | N/A | 65,000 | 51,920 |
| 386 | 1 | 102.03 | 102.03 | 102.03 | 00.00 | 100.00 | 102.03 | 102.03 | N/A | 137,000 | 139,785 |
| 389 | 1 | 103.47 | 103.47 | 103.47 | 00.00 | 100.00 | 103.47 | 103.47 | N/A | 650,000 | 672,575 |
| 394 | 1 | 93.93 | 93.93 | 93.93 | 00.00 | 100.00 | 93.93 | 93.93 | N/A | 275,000 | 258,300 |
| 406 | 2 | 90.86 | 90.86 | 86.19 | 10.04 | 105.42 | 81.74 | 99.97 | N/A | 102,500 | 88,340 |
| 419 | 4 | 118.91 | 128.20 | 135.31 | 13.51 | 94.75 | 108.33 | 166.66 | N/A | 83,750 | 113,320 |
| 421 | 1 | 410.45 | 410.45 | 410.45 | 00.00 | 100.00 | 410.45 | 410.45 | N/A | 30,000 | 123,135 |
| 434 | 1 | 92.24 | 92.24 | 92.24 | 00.00 | 100.00 | 92.24 | 92.24 | N/A | 100,000 | 92,235 |
| 471 | 1 | 64.20 | 64.20 | 64.20 | 00.00 | 100.00 | 64.20 | 64.20 | N/A | 175,000 | 112,345 |
| 472 | 1 | 73.62 | 73.62 | 73.62 | 00.00 | 100.00 | 73.62 | 73.62 | N/A | 38,000 | 27,975 |
| 851 | 1 | 111.04 | 111.04 | 111.04 | 00.00 | 100.00 | 111.04 | 111.04 | N/A | 370,000 | 410,865 |
| _____ALL_____ | 42 | 99.92 | 107.91 | 89.01 | 32.06 | 121.23 | 40.75 | 410.45 | 91.46 to 111.04 | 348,033 | 309,785 |

## A. Commercial Real Property

The city of South Sioux City is the primary retail center in the northeast corner of the state. The community is strongly influenced with the nearby economics of Sioux City, Iowa. The smaller communities in the county have the typical commercial properties characteristic of a community of its size.

The commercial market in Dakota County is influenced primarily by the local manufacturing. A review of the statistical analysis reveals 42 qualified commercial sales in the three year study period. There are four valuation groupings represented. The largest represented valuation group is 23(South Sioux City). There are also over 20 occupancy codes within the valuation groupings

The reported assessment actions of the county included percentage adjustments to occupancy codes 352 (Multiple Residents) and occupancy code 353 (Retail). A study was completed and adjustments were applied to land values on Dakota Avenue.

The Division has conducted an expanded review in 2012 of Dakota County concerning the inspection and review of the commercial real property. It is noted in the findings that the county had started a review prior to the law mandate. A second systematic review was to have begun in 2011. Findings on the property record cards during the review indicated dated photos from 2000 – 2009. The county reported in 2011 and 2012 very little changes in the overall valuation process of the commercial class. Additionally, the Division conducted a review of each county's sales verification and documentation. The conclusion of the review indicates no bias in the sales verification and that Dakota County utilized all arm's length transactions available.

A review of the commercial valuation base between the 2012 CTL and the 2013 County Abstract indicated an increase in value of 13,955,882. The growth reported was 1,912,697, leaving an increase in value of 12,043,185. The county reported assessment actions on two occupancy codes. The increase in value of those occupancy codes does not account for the reported large increase in value. The limited assessment actions, the large increase in the valuation base and the diversity of the occupancy codes, the conclusion is that for the commercial property in Dakota County there is not sufficient information available to determine a level of value.

## 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.

## 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.

## 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

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.

**Agricultural and/or Special Valuation Reports**

# 2013 Agricultural Assessment Actions for Dakota County

Individual sales studied in each market area. An average increase of over 35% was needed in the agland records

# 2013 Agricultural Assessment Survey for Dakota County

| | |
|---|---|
| 1. | **Valuation data collection done by:** |
| | Appraiser/Assessor and staff |
| 2. | **List each market area, and describe the location and the specific characteristics that make each unique.** |

| Market Area | Description of unique characteristics |
|---|---|
| 1 | Flat bottom Eastside of the county |
| 2 | Hill ground Westside of the county, West of the Bluff |

| | |
|---|---|
| 3. | **Describe the process used to determine and monitor market areas.** |
| | Market, from qualified sales |
| 4. | **Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land.** |
| | Rural Residential would include only land that is not part of ag income producing parcel. We have no rec ground. |
| 5. | **Do farm home sites carry the same value as rural residential home sites? If not, what are the market differences?** |
| | Yes |
| 6. | **Describe the process used to identify and monitor the influence of non-agricultural characteristics.** |
| | Physical inspection, Agri Data, Google Earth |
| 7. | **Have special valuation applications been filed in the county? If a value difference is recognized describe the process used to develop the uninfluenced value.** |
| | We have no Rec ground and therefore no non ag influence. |
| 8. | **If applicable, describe the process used to develop assessed values for parcels enrolled in the Wetland Reserve Program.** |
| | Our wetlands border the Missouri river and because of location next to the river we monitor sales up and down the river on both sides. The parcels that are selling seem to be toward the south end of the state. Our current values are the result of TERC cases. |

**22 Dakota**

**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 : | 35 | MEDIAN : | 72 | COV : | 37.36 |
| Total Sales Price : | 23,638,679 | WGT. MEAN : | 74 | STD : | 28.60 |
| Total Adj. Sales Price : | 23,638,679 | MEAN : | 77 | Avg. Abs. Dev : | 23.22 |
| Total Assessed Value : | 17,469,224 | | | | |
| Avg. Adj. Sales Price : | 675,391 | COD : | 32.13 | MAX Sales Ratio : | 142.29 |
| Avg. Assessed Value : | 499,121 | PRD : | 103.60 | MIN Sales Ratio : | 30.10 |

| | |
|---|---|
| 95% Median C.I. : | 58.39 to 91.32 |
| 95% Wgt. Mean C.I. : | 54.18 to 93.62 |
| 95% Mean C.I. : | 67.08 to 86.04 |

*Printed:4/4/2013 10:05:26AM*

**DATE OF SALE ***

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|---|---|---|---|---|---|---|---|---|---|---|---|
| _____Qrtrs_____ | | | | | | | | | | | |
| 01-OCT-09 To 31-DEC-09 | 1 | 118.39 | 118.39 | 118.39 | 00.00 | 100.00 | 118.39 | 118.39 | N/A | 93,600 | 110,810 |
| 01-JAN-10 To 31-MAR-10 | 2 | 100.62 | 100.62 | 100.66 | 03.63 | 99.96 | 96.97 | 104.26 | N/A | 558,718 | 562,430 |
| 01-APR-10 To 30-JUN-10 | | | | | | | | | | | |
| 01-JUL-10 To 30-SEP-10 | 6 | 104.16 | 96.66 | 114.77 | 25.19 | 84.22 | 30.10 | 135.95 | 30.10 to 135.95 | 610,320 | 700,460 |
| 01-OCT-10 To 31-DEC-10 | 2 | 117.26 | 117.26 | 115.60 | 21.35 | 101.44 | 92.23 | 142.29 | N/A | 290,759 | 336,120 |
| 01-JAN-11 To 31-MAR-11 | 2 | 77.57 | 77.57 | 76.89 | 15.19 | 100.88 | 65.79 | 89.34 | N/A | 678,971 | 522,049 |
| 01-APR-11 To 30-JUN-11 | 4 | 68.95 | 67.63 | 58.19 | 25.80 | 116.22 | 41.30 | 91.32 | N/A | 624,631 | 363,485 |
| 01-JUL-11 To 30-SEP-11 | 4 | 72.34 | 69.99 | 82.28 | 17.39 | 85.06 | 42.55 | 92.72 | N/A | 846,807 | 696,741 |
| 01-OCT-11 To 31-DEC-11 | 3 | 77.14 | 84.05 | 90.46 | 13.90 | 92.91 | 71.43 | 103.58 | N/A | 413,479 | 374,032 |
| 01-JAN-12 To 31-MAR-12 | 6 | 45.79 | 50.69 | 45.93 | 18.32 | 110.36 | 40.47 | 70.50 | 40.47 to 70.50 | 761,812 | 349,904 |
| 01-APR-12 To 30-JUN-12 | 4 | 57.20 | 57.55 | 58.44 | 01.99 | 98.48 | 55.68 | 60.11 | N/A | 576,758 | 337,053 |
| 01-JUL-12 To 30-SEP-12 | 1 | 53.29 | 53.29 | 53.29 | 00.00 | 100.00 | 53.29 | 53.29 | N/A | 2,822,175 | 1,503,820 |
| _____Study Yrs_____ | | | | | | | | | | | |
| 01-OCT-09 To 30-SEP-10 | 9 | 104.26 | 99.95 | 111.60 | 19.06 | 89.56 | 30.10 | 135.95 | 86.73 to 118.86 | 541,439 | 604,270 |
| 01-OCT-10 To 30-SEP-11 | 12 | 75.96 | 78.34 | 76.13 | 25.75 | 102.90 | 41.30 | 142.29 | 58.39 to 92.23 | 652,101 | 496,437 |
| 01-OCT-11 To 30-SEP-12 | 14 | 57.20 | 59.98 | 55.51 | 20.05 | 108.05 | 40.47 | 103.58 | 44.98 to 71.43 | 781,465 | 433,825 |
| _____Calendar Yrs_____ | | | | | | | | | | | |
| 01-JAN-10 To 31-DEC-10 | 10 | 100.62 | 101.57 | 111.92 | 21.35 | 90.75 | 30.10 | 142.29 | 86.73 to 135.95 | 536,087 | 599,986 |
| 01-JAN-11 To 31-DEC-11 | 13 | 72.41 | 73.67 | 75.52 | 19.32 | 97.55 | 41.30 | 103.58 | 58.39 to 91.32 | 652,625 | 492,854 |
| _____ALL_____ | 35 | 72.26 | 76.56 | 73.90 | 32.13 | 103.60 | 30.10 | 142.29 | 58.39 to 91.32 | 675,391 | 499,121 |

**AREA (MARKET)**

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 10 | 74.29 | 76.43 | 77.69 | 26.28 | 98.38 | 41.30 | 135.95 | 53.29 to 94.44 | 987,210 | 766,988 |
| 2 | 25 | 72.26 | 76.61 | 71.18 | 34.18 | 107.63 | 30.10 | 142.29 | 57.14 to 92.23 | 550,663 | 391,974 |
| _____ALL_____ | 35 | 72.26 | 76.56 | 73.90 | 32.13 | 103.60 | 30.10 | 142.29 | 58.39 to 91.32 | 675,391 | 499,121 |

**95%MLU By Market Area**

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|---|---|---|---|---|---|---|---|---|---|---|---|
| _____Dry_____ | | | | | | | | | | | |
| County | 20 | 74.70 | 74.87 | 71.65 | 26.47 | 104.49 | 41.30 | 118.86 | 57.26 to 92.23 | 626,941 | 449,188 |
| 1 | 8 | 74.29 | 71.88 | 73.56 | 18.94 | 97.72 | 41.30 | 94.44 | 41.30 to 94.44 | 684,891 | 503,814 |
| 2 | 12 | 80.80 | 76.86 | 70.16 | 29.17 | 109.55 | 41.47 | 118.86 | 46.60 to 96.97 | 588,308 | 412,771 |
| _____ALL_____ | 35 | 72.26 | 76.56 | 73.90 | 32.13 | 103.60 | 30.10 | 142.29 | 58.39 to 91.32 | 675,391 | 499,121 |

**22 Dakota**

**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 : | 35 | MEDIAN : | 72 | COV : | 37.36 |
| Total Sales Price : | 23,638,679 | WGT. MEAN : | 74 | STD : | 28.60 |
| Total Adj. Sales Price : | 23,638,679 | MEAN : | 77 | Avg. Abs. Dev : | 23.22 |
| Total Assessed Value : | 17,469,224 | | | | |
| Avg. Adj. Sales Price : | 675,391 | COD : | 32.13 | MAX Sales Ratio : | 142.29 |
| Avg. Assessed Value : | 499,121 | PRD : | 103.60 | MIN Sales Ratio : | 30.10 |

| | |
|---|---|
| 95% Median C.I. : | 58.39 to 91.32 |
| 95% Wgt. Mean C.I. : | 54.18 to 93.62 |
| 95% Mean C.I. : | 67.08 to 86.04 |

*Printed:4/4/2013 10:05:26AM*

**80%MLU By Market Area**

| RANGE | COUNT | MEDIAN | MEAN | WGT.MEAN | COD | PRD | MIN | MAX | 95%_Median_C.I. | Avg. Adj. Sale Price | Avg. Assd. Val |
|---|---|---|---|---|---|---|---|---|---|---|---|
| _____Irrigated_____ | | | | | | | | | | | |
| County | 1 | 53.29 | 53.29 | 53.29 | 00.00 | 100.00 | 53.29 | 53.29 | N/A | 2,822,175 | 1,503,820 |
| 1 | 1 | 53.29 | 53.29 | 53.29 | 00.00 | 100.00 | 53.29 | 53.29 | N/A | 2,822,175 | 1,503,820 |
| _____Dry_____ | | | | | | | | | | | |
| County | 24 | 78.33 | 79.27 | 75.02 | 26.67 | 105.67 | 41.30 | 142.29 | 58.39 to 92.72 | 613,632 | 460,360 |
| 1 | 8 | 74.29 | 71.88 | 73.56 | 18.94 | 97.72 | 41.30 | 94.44 | 41.30 to 94.44 | 684,891 | 503,814 |
| 2 | 16 | 88.04 | 82.96 | 75.89 | 26.24 | 109.32 | 41.47 | 142.29 | 57.14 to 103.58 | 578,003 | 438,633 |
| _____Grass_____ | | | | | | | | | | | |
| County | 1 | 42.55 | 42.55 | 42.55 | 00.00 | 100.00 | 42.55 | 42.55 | N/A | 101,227 | 43,070 |
| 2 | 1 | 42.55 | 42.55 | 42.55 | 00.00 | 100.00 | 42.55 | 42.55 | N/A | 101,227 | 43,070 |
| _____ALL_____ | 35 | 72.26 | 76.56 | 73.90 | 32.13 | 103.60 | 30.10 | 142.29 | 58.39 to 91.32 | 675,391 | 499,121 |

# Dakota County 2013 Average Acre Value Comparison

| County | Mkt Area | 1A1 | 1A | 2A1 | 2A | 3A1 | 3A | 4A1 | 4A | AVG IRR |
|---|---|---|---|---|---|---|---|---|---|---|
| Dakota | 1 | 4,997 | 4,950 | 4,833 | N/A | 4,725 | N/A | 4,625 | 4,510 | 4,817 |
| Burt | 1 | 4,530 | 4,320 | 4,060 | 3,810 | 3,099 | 3,265 | 2,600 | 2,145 | 3,579 |
| | | | | | | | | | | |
| Dakota | 2 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Dixon | 1 | 4,015 | 3,940 | 3,750 | 3,625 | 3,375 | 3,310 | 3,065 | 2,940 | 3,602 |
| Dixon | 2 | 4,015 | 3,940 | 3,750 | 3,625 | 3,375 | 3,310 | 3,065 | 2,940 | 3,513 |
| Thurston | 1 | 3,750 | 3,735 | 3,450 | 3,380 | 3,305 | 3,300 | 3,020 | 2,730 | 3,514 |
| Thurston | 2 | 3,750 | 3,735 | 3,305 | 3,380 | 3,305 | 3,300 | 3,020 | 2,730 | 3,378 |
| | | | | | | | | | | |
| | | | | | | | | | | |

| County | Mkt Area | 1D1 | 1D | 2D1 | 2D | 3D1 | 3D | 4D1 | 4D | AVG DRY |
|---|---|---|---|---|---|---|---|---|---|---|
| Dakota | 1 | 4,634 | 4,618 | 4,570 | N/A | 4,478 | N/A | 3,700 | 3,465 | 4,526 |
| Burt | 1 | 4,455 | 4,175 | 3,950 | 3,780 | 3,135 | 3,180 | 2,545 | 2,105 | 3,380 |
| | | | | | | | | | | |
| Dakota | 2 | 3,885 | 3,848 | 3,809 | 3,790 | 3,589 | 3,525 | 3,394 | 3,322 | 3,526 |
| Dixon | 1 | 3,490 | 3,260 | 3,145 | 3,025 | 2,849 | 2,675 | 2,560 | 2,339 | 2,892 |
| Dixon | 2 | 3,345 | 3,160 | 3,160 | 3,040 | 2,810 | 2,690 | 2,455 | 2,461 | 2,784 |
| Thurston | 1 | 3,625 | 3,565 | 3,220 | 3,220 | 3,220 | 3,125 | 2,875 | 2,500 | 3,226 |
| Thurston | 2 | 3,440 | 3,365 | 3,165 | 2,815 | 2,740 | 2,740 | 2,700 | 2,500 | 2,872 |
| | | | | | | | | | | |
| | | | | | | | | | | |

| County | Mkt Area | 1G1 | 1G | 2G1 | 2G | 3G1 | 3G | 4G1 | 4G | AVG GRASS |
|---|---|---|---|---|---|---|---|---|---|---|
| Dakota | 1 | 2,107 | 1,769 | 1,995 | N/A | 1,495 | N/A | 1,545 | 761 | 1,560 |
| Burt | 1 | 1,909 | 1,838 | 1,825 | 1,511 | 1,553 | 1,579 | 1,518 | 1,253 | 1,524 |
| | | | | | | | | | | |
| Dakota | 2 | 1,872 | 2,203 | 1,938 | 2,523 | 2,199 | 2,263 | 1,937 | 1,248 | 1,711 |
| Dixon | 1 | 1,945 | 1,840 | 1,580 | N/A | 1,383 | 1,150 | 1,065 | 980 | 1,399 |
| Dixon | 2 | 1,712 | 1,803 | 1,549 | 1,440 | 1,265 | 1,148 | 1,032 | 867 | 1,133 |
| Thurston | 1 | 892 | 869 | 812 | 820 | 711 | 706 | 694 | 638 | 775 |
| Thurston | 2 | 822 | 777 | 672 | 742 | 626 | 633 | 615 | 499 | 612 |
| | | | | | | | | | | |
| | | | | | | | | | | |

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

**Agricultural and/or Special Valuation Correlation**

## A. Agricultural Land

Dakota County has two market areas identified. Market Area 1 is the eastern area of the county and is bordered by the Missouri River on the east and the remainder of Dakota County on the west. The majority of the land in area one is described as moderately well drained silty soils on upland and in depressions formed in loess and excessively drained sandy soils formed in alluvium in valleys and eolian sand on uplands in sandhills, which appear to be typical of land near the river. Market Area 2 is the western portion of the county and the land characteristics are very similar to the adjoining counties of Dixon and Thurston Counties.

Analysis of Dakota County alone indicated that the newest year in the study period is heavily weighted in both market areas and supports the strong market increase. The sample size for this county is smaller than any other agricultural base in the northeast region, primarily because the agricultural base in Dakota County represents only 36% of the total valuation base of the county while Burt County is represented by 74% agricultural base value, Dixon 76% and Thurston County is 80% agricultural base.

As reported in the county abstract approximately 32% of area one is irrigated, 60% is classified as dry land use and the remainder is grass and waste. Market area one consisted of only seven sales for analysis purposes. The County considered the general market indication of these seven sales to gauge the local market and establish 2013 values. This market area is unique from adjoining counties because of its location along the low lands near the Missouri River, and the inherent soil characteristics produced from occasional flooding. Lacking adjoining county comparable markets, it is difficult to have additional sales to create a sample statistically adequate. However, for the measurement this year three additional sales with similar soil characteristics were added to the base from Burt County. Low lying land in Burt County consists of the same general soil associations, so for purposes of inter county equalization comparisons to Burt County values were compared to Dakota. The comparison suggested the values established by Dakota County were reasonably similar with Burt County.

Market Area 2 is characterized as 68% dry land 27% grass land, the remainder is waste, as reported on the county abstract. Currently there is no irrigated land in area two. Assessment actions in area two included increasing dry land and grassland. Expansion of eight sales from adjoining Dixon and Thurston counties were included in the analysis to establish the land values for 2013 and to proportionately distribute sale activity by timeframe. Those eight sales were dispersed amongst the older study years, two in the oldest and six in the middle year since there were ten sales in the newest year in Dakota alone. The dry land values are relatively comparable to both Dixon and Thurston Counties, and the statistics support that area two is assessed within the acceptable range. Examination of the majority land use with the expanded analysis leads one to believe that the dry land may be slightly over assessed. There are 16 expanded sales in the majority land use of 80% dry, further review of that information indicates that there are 10 of those sales in Dakota alone, and when looked at alone, Dakota County 80% majority land use would have a median level of 72%.

The Division has conducted an expanded review in 2012 o Dakota County concerning the review and inspection of the real class of property. The county had started a review prior to

the law mandate and is currently in the second cyclical review. Additionally, the Division conducted a review of the county's sales verification and documentation. The conclusion of the review indicates no bias in the sales verification and that Dakota County utilized all arm's length transactions available.

Based on the consideration of all available information, the level of value is determined to be 72% of market value for the overall agricultural class of property. Each market area is also within the acceptable parameters of level of value.

## 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.

## 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.

## 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

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.

**Total Real Property** (Sum Lines 17, 25, & 30) **Records :** 9,634 **Value :** 1,348,662,029 **Growth** 10,432,804 (Sum Lines 17, 25, & 41)

**Schedule I : Non-Agricultural Records**

| | Urban | | SubUrban | | Rural | | Total | | Growth |
|---|---|---|---|---|---|---|---|---|---|
| | Records | Value | Records | Value | Records | Value | Records | Value | |
| **01. Res UnImp Land** | 506 | 5,208,040 | 173 | 1,141,960 | 94 | 889,890 | 773 | 7,239,890 | |
| **02. Res Improve Land** | 4,110 | 51,526,810 | 575 | 9,578,680 | 479 | 13,220,655 | 5,164 | 74,326,145 | |
| **03. Res Improvements** | 4,402 | 324,018,287 | 825 | 56,111,920 | 495 | 43,778,910 | 5,722 | 423,909,117 | |
| **04. Res Total** | 4,908 | 380,753,137 | 998 | 66,832,560 | 589 | 57,889,455 | 6,495 | 505,475,152 | 5,995,957 |
| **% of Res Total** | 75.57 | 75.33 | 15.37 | 13.22 | 9.07 | 11.45 | 67.42 | 37.48 | 57.47 |
| **05. Com UnImp Land** | 133 | 5,709,510 | 25 | 559,060 | 19 | 919,975 | 177 | 7,188,545 | |
| **06. Com Improve Land** | 574 | 28,575,235 | 46 | 2,758,280 | 26 | 1,426,995 | 646 | 32,760,510 | |
| **07. Com Improvements** | 580 | 147,479,732 | 50 | 11,945,780 | 28 | 3,950,135 | 658 | 163,375,647 | |
| **08. Com Total** | 713 | 181,764,477 | 75 | 15,263,120 | 47 | 6,297,105 | 835 | 203,324,702 | 1,912,697 |
| **% of Com Total** | 85.39 | 89.40 | 8.98 | 7.51 | 5.63 | 3.10 | 8.67 | 15.08 | 18.33 |
| **09. Ind UnImp Land** | 13 | 2,070,025 | 4 | 352,855 | 0 | 0 | 17 | 2,422,880 | |
| **10. Ind Improve Land** | 17 | 4,294,610 | 7 | 3,235,290 | 0 | 0 | 24 | 7,529,900 | |
| **11. Ind Improvements** | 17 | 54,622,985 | 7 | 46,779,185 | 0 | 0 | 24 | 101,402,170 | |
| **12. Ind Total** | 30 | 60,987,620 | 11 | 50,367,330 | 0 | 0 | 41 | 111,354,950 | 34,750 |
| **% of Ind Total** | 73.17 | 54.77 | 26.83 | 45.23 | 0.00 | 0.00 | 0.43 | 8.26 | 0.33 |
| **13. Rec UnImp Land** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| **14. Rec Improve Land** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| **15. Rec Improvements** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| **16. Rec Total** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **% of Rec Total** | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Res & Rec Total** | 4,908 | 380,753,137 | 998 | 66,832,560 | 589 | 57,889,455 | 6,495 | 505,475,152 | 5,995,957 |
| **% of Res & Rec Total** | 75.57 | 75.33 | 15.37 | 13.22 | 9.07 | 11.45 | 67.42 | 37.48 | 57.47 |
| **Com & Ind Total** | 743 | 242,752,097 | 86 | 65,630,450 | 47 | 6,297,105 | 876 | 314,679,652 | 1,947,447 |
| **% of Com & Ind Total** | 84.82 | 77.14 | 9.82 | 20.86 | 5.37 | 2.00 | 9.09 | 23.33 | 18.67 |
| **17. Taxable Total** | 5,651 | 623,505,234 | 1,084 | 132,463,010 | 636 | 64,186,560 | 7,371 | 820,154,804 | 7,943,404 |
| **% of Taxable Total** | 76.67 | 76.02 | 14.71 | 16.15 | 8.63 | 7.83 | 76.51 | 60.81 | 76.14 |

**Schedule II : Tax Increment Financing (TIF)**

| | Urban | | | SubUrban | | |
|---|---|---|---|---|---|---|
| | Records | Value Base | Value Excess | Records | Value Base | Value Excess |
| **18. Residential** | 108 | 5,576,070 | 4,066,735 | 0 | 0 | 0 |
| **19. Commercial** | 67 | 12,500,095 | 16,924,565 | 0 | 0 | 0 |
| **20. Industrial** | 1 | 181,330 | 31,246,230 | 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 | 108 | 5,576,070 | 4,066,735 |
| **19. Commercial** | 0 | 0 | 0 | 67 | 12,500,095 | 16,924,565 |
| **20. Industrial** | 0 | 0 | 0 | 1 | 181,330 | 31,246,230 |
| **21. Other** | 0 | 0 | 0 | 0 | 0 | 0 |
| **22. Total Sch II** | | | | **176** | **18,257,495** | **52,237,530** |

**Schedule III : Mineral Interest Records**

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

**Schedule IV : Exempt Records : Non-Agricultural**

| | Urban | SubUrban | Rural | Total |
|---|---|---|---|---|
| | Records | Records | Records | Records |
| **26. Exempt** | 356 | 79 | 109 | 544 |

**Schedule V : Agricultural Records**

| | Urban | | SubUrban | | Rural | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Records | Value | Records | Value | Records | Value | Records | Value |
| **27. Ag-Vacant Land** | 0 | 0 | 242 | 41,886,070 | 1,588 | 345,329,450 | 1,830 | 387,215,520 |
| **28. Ag-Improved Land** | 0 | 0 | 69 | 11,193,840 | 346 | 97,564,680 | 415 | 108,758,520 |
| **29. Ag Improvements** | 0 | 0 | 73 | 5,689,725 | 360 | 26,843,460 | 433 | 32,533,185 |
| **30. Ag Total** | | | | | | | **2,263** | **528,507,225** |

**Schedule VI : Agricultural Records :Non-Agricultural Detail**

| | Urban | | | SubUrban | | | |
|---|---|---|---|---|---|---|---|
| | Records | Acres | Value | Records | Acres | Value | |
| **31. HomeSite UnImp Land** | 0 | 0.00 | 0 | 1 | 0.25 | 2,890 | |
| **32. HomeSite Improv Land** | 0 | 0.00 | 0 | 49 | 50.50 | 582,895 | |
| **33. HomeSite Improvements** | 0 | 0.00 | 0 | 48 | 48.00 | 4,346,380 | |
| **34. HomeSite Total** | | | | | | | |
| **35. FarmSite UnImp Land** | 0 | 0.00 | 0 | 4 | 5.00 | 10,810 | |
| **36. FarmSite Improv Land** | 0 | 0.00 | 0 | 58 | 137.10 | 249,620 | |
| **37. FarmSite Improvements** | 0 | 0.00 | 0 | 58 | 0.00 | 1,343,345 | |
| **38. FarmSite Total** | | | | | | | |
| **39. Road & Ditches** | 0 | 0.00 | 0 | 0 | 196.86 | 0 | |
| **40. Other- Non Ag Use** | 0 | 0.00 | 0 | 0 | 0.00 | 0 | |
| | **Rural** | | | **Total** | | | **Growth** |
| | Records | Acres | Value | Records | Acres | Value | |
| **31. HomeSite UnImp Land** | 6 | 6.00 | 67,400 | 7 | 6.25 | 70,290 | |
| **32. HomeSite Improv Land** | 244 | 249.78 | 2,770,935 | 293 | 300.28 | 3,353,830 | |
| **33. HomeSite Improvements** | 245 | 239.78 | 20,725,450 | 293 | 287.78 | 25,071,830 | 2,489,400 |
| **34. HomeSite Total** | | | | **300** | **306.53** | **28,495,950** | |
| **35. FarmSite UnImp Land** | 54 | 117.47 | 237,075 | 58 | 122.47 | 247,885 | |
| **36. FarmSite Improv Land** | 316 | 943.08 | 1,618,535 | 374 | 1,080.18 | 1,868,155 | |
| **37. FarmSite Improvements** | 308 | 0.00 | 6,118,010 | 366 | 0.00 | 7,461,355 | 0 |
| **38. FarmSite Total** | | | | **424** | **1,202.65** | **9,577,395** | |
| **39. Road & Ditches** | 0 | 2,093.74 | 0 | 0 | 2,290.60 | 0 | |
| **40. Other- Non Ag Use** | 0 | 0.00 | 0 | 0 | 0.00 | 0 | |
| **41. Total Section VI** | | | | **724** | **3,799.78** | **38,073,345** | **2,489,400** |

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

| | Urban | | | SubUrban | | |
|---|---|---|---|---|---|---|
| | Records | Acres | Value | Records | Acres | Value |
| **42. Game & Parks** | 0 | 0.00 | 0 | 0 | 0.00 | 0 |
| | **Rural** | | | **Total** | | |
| | Records | Acres | Value | Records | Acres | Value |
| **42. Game & Parks** | 1 | 40.00 | 13,600 | 1 | 40.00 | 13,600 |

**Schedule VIII : Agricultural Records : Special Value**

| | Urban | | | SubUrban | | |
|---|---|---|---|---|---|---|
| | Records | Acres | Value | Records | Acres | Value |
| **43. Special Value** | 0 | 0.00 | 0 | 46 | 1,688.17 | 6,447,990 |
| **44. Recapture Value N/A** | 0 | 0.00 | 0 | 46 | 1,688.17 | 6,559,130 |
| | **Rural** | | | **Total** | | |
| | Records | Acres | Value | Records | Acres | Value |
| **43. Special Value** | 0 | 0.00 | 0 | 46 | 1,688.17 | 6,447,990 |
| **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 | 3,434.68 | 23.50% | 17,161,605 | 24.37% | 4,996.57 |
| 46. 1A | 171.51 | 1.17% | 848,975 | 1.21% | 4,950.00 |
| 47. 2A1 | 4,317.58 | 29.54% | 20,865,610 | 29.63% | 4,832.71 |
| 48. 2A | 0.00 | 0.00% | 0 | 0.00% | 0.00 |
| 49. 3A1 | 5,842.46 | 39.97% | 27,607,110 | 39.21% | 4,725.25 |
| 50. 3A | 0.00 | 0.00% | 0 | 0.00% | 0.00 |
| 51. 4A1 | 834.84 | 5.71% | 3,861,195 | 5.48% | 4,625.07 |
| 52. 4A | 14.70 | 0.10% | 66,300 | 0.09% | 4,510.20 |
| 53. Total | 14,615.77 | 100.00% | 70,410,795 | 100.00% | 4,817.45 |
| Dry | | | | | |
| 54. 1D1 | 10,503.55 | 34.97% | 48,669,020 | 35.79% | 4,633.58 |
| 55. 1D | 524.51 | 1.75% | 2,422,200 | 1.78% | 4,618.02 |
| 56. 2D1 | 7,399.04 | 24.63% | 33,816,690 | 24.87% | 4,570.42 |
| 57. 2D | 0.00 | 0.00% | 0 | 0.00% | 0.00 |
| 58. 3D1 | 10,433.35 | 34.73% | 46,715,690 | 34.36% | 4,477.54 |
| 59. 3D | 0.00 | 0.00% | 0 | 0.00% | 0.00 |
| 60. 4D1 | 1,125.25 | 3.75% | 4,163,425 | 3.06% | 3,700.00 |
| 61. 4D | 54.43 | 0.18% | 188,620 | 0.14% | 3,465.37 |
| 62. Total | 30,040.13 | 100.00% | 135,975,645 | 100.00% | 4,526.47 |
| Grass | | | | | |
| 63. 1G1 | 155.20 | 6.50% | 327,010 | 8.78% | 2,107.02 |
| 64. 1G | 35.38 | 1.48% | 62,575 | 1.68% | 1,768.65 |
| 65. 2G1 | 425.49 | 17.82% | 849,055 | 22.80% | 1,995.48 |
| 66. 2G | 0.00 | 0.00% | 0 | 0.00% | 0.00 |
| 67. 3G1 | 302.88 | 12.69% | 452,725 | 12.16% | 1,494.73 |
| 68. 3G | 0.00 | 0.00% | 0 | 0.00% | 0.00 |
| 69. 4G1 | 1,168.03 | 48.92% | 1,804,200 | 48.45% | 1,544.65 |
| 70. 4G | 300.58 | 12.59% | 228,600 | 6.14% | 760.53 |
| 71. Total | 2,387.56 | 100.00% | 3,724,165 | 100.00% | 1,559.82 |

| | | | | | |
|---|---|---|---|---|---|
| Irrigated Total | 14,615.77 | 28.54% | 70,410,795 | 33.35% | 4,817.45 |
| Dry Total | 30,040.13 | 58.67% | 135,975,645 | 64.41% | 4,526.47 |
| Grass Total | 2,387.56 | 4.66% | 3,724,165 | 1.76% | 1,559.82 |
| 72. Waste | 3,896.31 | 7.61% | 823,855 | 0.39% | 211.44 |
| 73. Other | 266.23 | 0.52% | 168,940 | 0.08% | 634.56 |
| 74. Exempt | 343.18 | 0.67% | 0 | 0.00% | 0.00 |
| 75. Market Area Total | 51,206.00 | 100.00% | 211,103,400 | 100.00% | 4,122.63 |

**Schedule IX : Agricultural Records : Ag Land Market Area Detail** **Market Area 2**

| Irrigated | Acres | % of Acres* | Value | % of Value* | Average Assessed Value* |
|---|---|---|---|---|---|
| 45. 1A1 | 0.00 | 0.00% | 0 | 0.00% | 0.00 |
| 46. 1A | 0.00 | 0.00% | 0 | 0.00% | 0.00 |
| 47. 2A1 | 0.00 | 0.00% | 0 | 0.00% | 0.00 |
| 48. 2A | 0.00 | 0.00% | 0 | 0.00% | 0.00 |
| 49. 3A1 | 0.00 | 0.00% | 0 | 0.00% | 0.00 |
| 50. 3A | 0.00 | 0.00% | 0 | 0.00% | 0.00 |
| 51. 4A1 | 0.00 | 0.00% | 0 | 0.00% | 0.00 |
| 52. 4A | 0.00 | 0.00% | 0 | 0.00% | 0.00 |
| 53. Total | 0.00 | 0.00% | 0 | 0.00% | 0.00 |
| Dry | | | | | |
| 54. 1D1 | 1,275.11 | 1.93% | 4,954,240 | 2.12% | 3,885.34 |
| 55. 1D | 10,386.38 | 15.70% | 39,970,700 | 17.14% | 3,848.38 |
| 56. 2D1 | 3,778.89 | 5.71% | 14,393,915 | 6.17% | 3,809.03 |
| 57. 2D | 432.50 | 0.65% | 1,639,175 | 0.70% | 3,790.00 |
| 58. 3D1 | 8,806.51 | 13.32% | 31,607,845 | 13.56% | 3,589.15 |
| 59. 3D | 2,565.98 | 3.88% | 9,045,350 | 3.88% | 3,525.11 |
| 60. 4D1 | 32,776.62 | 49.56% | 111,244,010 | 47.71% | 3,394.00 |
| 61. 4D | 6,112.70 | 9.24% | 20,307,250 | 8.71% | 3,322.14 |
| 62. Total | 66,134.69 | 100.00% | 233,162,485 | 100.00% | 3,525.57 |
| Grass | | | | | |
| 63. 1G1 | 52.64 | 0.20% | 98,545 | 0.22% | 1,872.06 |
| 64. 1G | 2,632.91 | 10.01% | 5,800,180 | 12.88% | 2,202.95 |
| 65. 2G1 | 903.72 | 3.43% | 1,751,435 | 3.89% | 1,938.03 |
| 66. 2G | 259.15 | 0.98% | 653,915 | 1.45% | 2,523.31 |
| 67. 3G1 | 1,701.85 | 6.47% | 3,741,825 | 8.31% | 2,198.68 |
| 68. 3G | 170.63 | 0.65% | 386,165 | 0.86% | 2,263.17 |
| 69. 4G1 | 10,015.12 | 38.06% | 19,401,560 | 43.08% | 1,937.23 |
| 70. 4G | 10,579.24 | 40.20% | 13,201,550 | 29.31% | 1,247.87 |
| 71. Total | 26,315.26 | 100.00% | 45,035,175 | 100.00% | 1,711.37 |

| | | | | | |
|---|---|---|---|---|---|
| Irrigated Total | 0.00 | 0.00% | 0 | 0.00% | 0.00 |
| Dry Total | 66,134.69 | 67.59% | 233,162,485 | 83.47% | 3,525.57 |
| Grass Total | 26,315.26 | 26.90% | 45,035,175 | 16.12% | 1,711.37 |
| 72. Waste | 5,394.34 | 5.51% | 1,132,820 | 0.41% | 210.00 |
| 73. Other | 0.00 | 0.00% | 0 | 0.00% | 0.00 |
| 74. Exempt | 761.61 | 0.78% | 0 | 0.00% | 0.00 |
| 75. Market Area Total | 97,844.29 | 100.00% | 279,330,480 | 100.00% | 2,854.85 |

**Schedule X : Agricultural Records :Ag Land Total**

| | Urban | | SubUrban | | Rural | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Acres | Value | Acres | Value | Acres | Value | Acres | Value |
| **76. Irrigated** | 0.00 | 0 | 1,398.93 | 6,844,800 | 13,216.84 | 63,565,995 | 14,615.77 | 70,410,795 |
| **77. Dry Land** | 0.00 | 0 | 9,592.62 | 40,011,835 | 86,582.20 | 329,126,295 | 96,174.82 | 369,138,130 |
| **78. Grass** | 0.00 | 0 | 3,278.99 | 5,207,865 | 25,423.83 | 43,551,475 | 28,702.82 | 48,759,340 |
| **79. Waste** | 0.00 | 0 | 805.73 | 169,195 | 8,484.92 | 1,787,480 | 9,290.65 | 1,956,675 |
| **80. Other** | 0.00 | 0 | 0.00 | 0 | 266.23 | 168,940 | 266.23 | 168,940 |
| **81. Exempt** | 0.00 | 0 | 662.72 | 0 | 442.07 | 0 | 1,104.79 | 0 |
| **82. Total** | **0.00** | **0** | **15,076.27** | **52,233,695** | **133,974.02** | **438,200,185** | **149,050.29** | **490,433,880** |

| | Acres | % of Acres* | Value | % of Value* | Average Assessed Value* |
|---|---|---|---|---|---|
| **Irrigated** | 14,615.77 | 9.81% | 70,410,795 | 14.36% | 4,817.45 |
| **Dry Land** | 96,174.82 | 64.53% | 369,138,130 | 75.27% | 3,838.20 |
| **Grass** | 28,702.82 | 19.26% | 48,759,340 | 9.94% | 1,698.76 |
| **Waste** | 9,290.65 | 6.23% | 1,956,675 | 0.40% | 210.61 |
| **Other** | 266.23 | 0.18% | 168,940 | 0.03% | 634.56 |
| **Exempt** | 1,104.79 | 0.74% | 0 | 0.00% | 0.00 |
| **Total** | **149,050.29** | 100.00% | **490,433,880** | 100.00% | 3,290.39 |

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

**22 Dakota**

| | 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 | 502,500,760 | 505,475,152 | 2,974,392 | 0.59% | 5,995,957 | -0.60% |
| 02. Recreational | 0 | 0 | 0 | | 0 | |
| 03. Ag-Homesite Land, Ag-Res Dwelling | 28,327,105 | 28,495,950 | 168,845 | 0.60% | 2,489,400 | -8.19% |
| **04. Total Residential (sum lines 1-3)** | **530,827,865** | **533,971,102** | **3,143,237** | **0.59%** | **8,485,357** | **-1.01%** |
| 05. Commercial | 189,368,820 | 203,324,702 | 13,955,882 | 7.37% | 1,912,697 | 6.36% |
| 06. Industrial | 111,724,030 | 111,354,950 | -369,080 | -0.33% | 34,750 | -0.36% |
| 07. Ag-Farmsite Land, Outbuildings | 9,131,337 | 9,577,395 | 446,058 | 4.88% | 0 | 4.88% |
| 08. Minerals | 0 | 0 | 0 | | 0 | |
| **09. Total Commercial (sum lines 5-8)** | **310,224,187** | **324,257,047** | **14,032,860** | **4.52%** | **1,947,447** | **3.90%** |
| **10. Total Non-Agland Real Property** | **841,052,052** | **858,228,149** | **17,176,097** | **2.04%** | **10,432,804** | **0.80%** |
| 11. Irrigated | 51,237,299 | 70,410,795 | 19,173,496 | 37.42% | | |
| 12. Dryland | 274,295,692 | 369,138,130 | 94,842,438 | 34.58% | | |
| 13. Grassland | 34,705,386 | 48,759,340 | 14,053,954 | 40.50% | | |
| 14. Wasteland | 2,066,502 | 1,956,675 | -109,827 | -5.31% | | |
| 15. Other Agland | -201,546 | 168,940 | 370,486 | | | |
| **16. Total Agricultural Land** | **362,103,333** | **490,433,880** | **128,330,547** | **35.44%** | | |
| **17. Total Value of all Real Property** | **1,203,155,385** | **1,348,662,029** | **145,506,644** | **12.09%** | **10,432,804** | **11.23%** |
| (Locally Assessed) | | | | | | |

# 2012 Plan of Assessment for Dakota County
# Assessment Years 2013, 2014 and 2015
**Date: June , 2012**
UPDATED OCTOBER 31, 2012

Updating was necessary as a direct result of 2 events. The first being the flood that greatly affected Dakota County and pulled appraisal staff away from the original planned work. The second and biggest impact on the assessment plan was the adoption of a new cama program and the amount of time and effort required to get it up and running. This program is no longer being used as a result of numerous repetitive problems and we have gone back to the TERRA SCAN program.

Plan of Assessment Requirements:

Pursuant to Neb. Rev. Stat. 77-1311.02 (2007), on or before June 15 each year, the assessor shall prepare a plan of assessment, (herein after referred to as the "plan"), which describes the assessment actions planned for the next assessment year and two years thereafter. The plan shall indicate the classes or subclasses of real property that the county assessor plans to examine during the years contained in the plan of assessment. The plan shall describe all the assessment actions necessary to achieve the levels of value and quality of assessment practices required by law, and the resources necessary to complete those actions. On or before July 31 each year, the assessor shall present the plan to the county board of equalization and the assessor may amend the plan, if necessary, after the budget is approved by the county board. A copy of the plan and any 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).

Assessment levels required for real property are as follows:

1) 100% of actual value for all classes of real property excluding agricultural and horticultural land;
2) 75% of actual value for agricultural land and horticultural land; and
3) 75% of special value for agricultural and horticultural land which meets the qualifications for special valuation under §77-1344 and 75% of its recapture value as defined in §77-1343 when the land is disqualified for special valuation under §77-1347.

Reference, Neb. Rev. Stat. §77-201 (R. S. Supp 2009).

General Description of Real Property in Dakota County:

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

| | Parcels | % of Total Parcels | % of Taxable Value Base |
|---|---|---|---|
| Residential | 6488 | 67% | 42% |
| Commercial | 841 | 9% | 16% |
| Industrial | 41 | .43% | 9% |
| Recreational | 0 | 0% | 0% |
| Agricultural | 2261 | 23% | 33% |
| Special Value | 52 | .53% | .3% |

Agricultural land - taxable acres 149,740.00. Area 1 51,728.55 acres. Area 2 98,011.44 acres.

Other pertinent facts: Approximately 92 % of county is agricultural and of that approximately 19% consists primarily of grassland.

New Property: For assessment year 2012 an estimated building permits and/or information statements were filed for new property construction/additions in the county.

For more information see 2012 Reports & Opinions, Abstract and Assessor Survey and the TERC Findings and Orders

Current Resources

A. Staff/Training
    a. We currently have an Assessor, Deputy Assessor and Data Entry person on the assessment side. On the Appraisal side we have 2 Appraisal Assistants. Training on both sides is an on going process in the office. As time and funding allow personnel are sent to schools offered by the Department of Property Assessment and Taxation as well schools conducted by other organizations.
B. Cadastral Maps, other land use maps, aerial photos
    a. The Cadastral Maps are maintained by the Assessor. They are kept up to date and are in very good condition. In addition we use Farm Service Agency Maps as necessary to determine land use. We also have the complete set of aerial photos on CD for 2011 flight and are able to use these to determine land use, tree cover and so forth. The addition of the Agridata program has been a tremendous tool.
C. Property Record Cards
    a. The Property Record Cards are in electronic form and can be easily printed if a hard copy is needed. All residential property is current and complete as of the last physical inspection. They include a sketch and a photo of each house. The Commercial Properties are being completed as time allows and the completed file includes a sketch and photos.
D. Software for CAMA
    a. Dakota County uses a CAMA system supplied by Terra Scan and serviced from their office in Lincoln Nebraska. In addition to the CAMA system we

have a variety of software programs to enhance the office operation,( Word, Excel, Outlook and others)

E. Assessment Administration
   a. The day to day operation of the office consists, for the most part, of entering information into the CAMA system or retrieving information from the system to answer inquiries. The exception to this is the handling of the Real Estate Transfer Forms and the updating of the Cadastral Maps. Cadastral Maps are used in inquiriers, building permits, cama maintenance, and cama reporting.

F. GIS
   a. We do not have GIS at this time and are hoping to have in the next year or two.

G. Website
   a. We currently have Web Access to Dakota County.

Current Assessment Procedures for Real Property

Introduction: In the process of assessment it is imperative that all property be listed and accurately valued on the tax roll. Without a complete listing and without accurate values proper assessment cannot be achieved.

Purpose: This is intended to be a brief description of the process for the discovery, listing and updating of the record for all property including new construction, additions, remodeling or the removal of existing improvements to or from real property. This information is used by the appraiser to establish value therefore the accuracy of the information is vital.

Definition:

A) Discovery: The various methods used to locate new property and changes in existing real property that may result in an adjustment to taxable value.
B) Listing: The process of physically reviewing a property and correctly recording all of the information necessary to identify that property for valuation purposes.
C) Pickup Work: The annual process by which changes in the physical characteristics of real property improvements or the addition or removal of improvements is discovered and listed.

DISCOVERY

There are three main sources of discovery, building permits, observed improvements and citizen reports.

*Building Permits*: Building Permits are furnished to the assessor's office from the towns or county and they are the main source information regarding new construction or improvements to existing property. These permits are entered into the CAMA program. The information from the Building Permit is entered and this triggers a physical review of the property. When pickup work begins a report is printed. The report is used by the appraiser and appraisal assistants as a reference to all property needing review.

*Observed Improvements*: It is the responsibility of the appraiser and the assistants to note the location of any new construction or additions and check the existing record to see if a building permit has been issued. If no permit has been issued it will be necessary to record the information on the Building Permits section of the CAMA program with a code in the permit number space that would easily identify it as not having been issued a permit. As an example the code might be DAK-1 then the next one DAK-2 and so forth.

*Citizen Reports*: On occasion a property owner will come in and report either he, she, or a neighbor, is adding a building or remodeling. In these instances the record is checked to see if a building permit exists and if it doesn't the property is included in the Building Permit section and coded as described above.

## LISTING

The listing of real property for scheduled review and pickup work consists of four separate steps, organization of work, field work, data entry and review.

*Organization of Work:* It is the responsibility of the appraiser to assign specific areas of work for each assistant. Those areas may be based on geographical areas such as towns or townships, or on property classes such as Residential, Agricultural or Commercial, or a combination of the two.

Once the areas are defined it is the responsibility of the assistant to organize the work in such a manner as to most efficiently use his or her time in the field. Properties in the same general area are combined for review to eliminate unnecessary travel time.

When going to the field the assistant takes the tools necessary to complete the work. This includes a tape measure, sketch pad, pencil, camera, business cards and door hangers. The information taken to the field includes the Review Sheet printed from the Appraisal File, the Laser Report and a copy of the Building Permit if applicable. Other information and tools may be used as the assistant deems necessary.

Safety is the most important part of any job. When preparing to go to the field it is be the responsibility of the assistant to dress in an appropriate manner. In cold weather special care should be taken to stay warm and in warm weather sunburn and dehydration are a concern. It is also a good idea to carry dog biscuits and insect repellant.

*Field Work:* Prior to arriving at the property an attempt is made to contact the owner to let him know we are coming. When arriving at the property the assistant first goes to the door to alert the owner or occupant of his or her presence. Proper identification is presented including a business card and the photo ID is visibly displayed by attaching it to a collar or shirt pocket. In cold weather it is attached to the outside of the jacket or coat.

If no one is home an effort is made to gather as much necessary information as possible. This would include photos, and verification of existing information on the

Review Sheet. This should be done with discretion and without being intrusive. **NO BUILDINGS ARE ENTERED WITHOUT PERMISSION.**

The assistant verifies the dimensions on the sketch. This can be based on previous knowledge, spot check of two or three measurements or a complete re-measure. Once the assistant has visited the property and verified the dimensions the accuracy of the measurements are his or her responsibility. When field sketching the measurements are rounded to the nearest foot and before leaving the property the **SKETCH IS BALANCED TO BE SURE IT WILL CLOSE WHEN ENTERED IN THE COMPUTER.** Additions such as porches, decks or rooms are measured and a dimension from a reference point is included to locate it on the subject.

The Review Sheet is carefully checked for accuracy and completeness.

The *Marshall and Swift Residential Cost Handbook* is the guideline for any subjective decisions such as Quality or Style. Any necessary changes or additions are noted in red. This includes address and any pertinent notes that are needed. If the address is not apparent on the property the assistant supplies his or her best estimate of the address from street signs or neighboring properties. Care is taken to assure the changes and notes are clear and concise for later data entry use. A completed Review Sheet is critical to the record in the computer, without complete and accurate information we will not have defendable values.

Each property has a photo of the front of the property as well a photo of each addition.

The file should include a picture of major outbuildings or other improvements such as detached garages, large yard sheds, swimming pools or in the case of rural properties the outbuildings.

**Before leaving the property the assistant makes one final review of the information gathered to confirm it is complete and accurate. A door hanger is let if necessary.**

Data Entry:

The information for data entry should be complete and easily obtainable from the Review Sheet. The information and sketch should be clear, concise and legible. It is not the responsibility of the data entry person to estimate missing information or to correct incomplete sketches. Any data that is questionable or incomplete should be returned to the appraiser. When data entry is complete the information is returned to the assistant for review.

Review:

The assistant reviews the file for completeness and accuracy when it is returned from data entry. At this time the amount of growth on the individual parcel is verified. After he or she is satisfied with the file it will be passed to the appraiser for final review. The passing of the file to the appraiser indicates the assistant has completed the work and believes it to be correct. The appraiser reviews the work to the degree necessary and confirms the values in the computer appraisal file. After the values are confirmed the appraiser will notify the assessment side that the work is complete.

## APPROACHES TO VALUE

Appraisal is defined as:

"(1) Noun-the act or process of developing an opinion of value; an opinion of value

(2)Adjective-of or pertaining to appraising and related functions such as appraisal practice or appraisal services."[1]

The process is used to determine an estimate of value as of a given date. The estimate is arrived at by the careful and unbiased analysis of physical features and condition, and economic and governmental forces affecting the value of the subject property. Several Economic Principles form the foundation for the value of the subject, those having the most influence on value are the *Principle of Supply and Demand* and the *Principle of Substitution.*

The *Principle of Supply and Demand* simply stated says that if the supply of a commodity exceeds the demand the value of that commodity will diminish, if the demand for a commodity exceeds the supply of that commodity then the value will increase. [2]

The *Principle of Substitution* simply stated says a buyer will not pay more for a commodity than a similar commodity can be purchased for. This is the base assumption in the Cost Approach and Sales Comparison Approach. A consumer will not pay more for a commodity than he can build a new one for or than he can buy a similar one for.[3]

**Factors Affecting Value**

During the appraisal process the appraiser considers several different factors 'in determining the value of the subject property. Among these are location, use, sale of similar properties, income potential of the property and the replacement cost of the property taking into consideration the various forms of depreciation affecting the value of the property.

*Location:* In general, the most important physical factor affecting value is location. "All other factors are subordinated to, or considered in relation to, location. If all other factors are positive, but the location is not desirable, the property will probably suffer a loss in value. [4]

*Highest and Best Use:* "A principle of appraisal and assessment requiring that each property be appraised as though it were being put to it's most profitable use ( highest possible net worth), given probable legal, physical, and financial constraints. The principle entails first identifying the most appropriate market, and, second, the most profitable use within that market"[5]

1) USPAP 2001, The Appraisal Foundation p.1
2) Condensed from Mass Appraisal of Real Property p.5
3) Condensed from The Glossary for Property Appraisal and Assessment p.108
4) Property Assessment Valuation, Second Addition p. 55 IAAO
5)Glossary for Property Appraisal and Assessment p. 65 IAAO

*Sales Comparison Approach to Value:* "The sales comparison approach uses sales prices as

evidence of the value of similar properties. The price at which a particular property sells is the price determined by the interaction of supply and demand at the time of sale. If competitive market conditions are approximated, and conditions have not changed greatly, a similar property would sell at approximately the same price."[6]

## Methodology for Sales Comparison Approach

### Overview

The Sales Comparison Approach uses sales prices as evidence of value of similar properties. The price at which a particular property sells is the price determined by the interaction of supply and demand at the time of sale. If competitive market conditions are approximated, and conditions have not changed greatly, a similar property would sell at approximately the same price.[1]

**Market Value**[2] is defined as "The most probable price (in terms of money) which a property should bring in a competitive market under all conditions requisite to a fair sale, the buyer and the seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of the sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1) The buyer and seller are typically motivated
2) Both parties are well informed or advised and act in what they consider their best interests
3) A reasonable time is allowed for exposure on the open market
4) Payment is made in terms of cash or financial arrangements comparable thereto
5) The price is unaffected by special financing or concessions."

Because no two real properties are ever exactly alike, systematic methods must be used to adjust the prices of sold properties, known as comparison properties, or comparables. Known prices are adjusted by adding or subtracting the amount which a given feature (*attribute*) appears to add to, or subtract from, the value of the comparable property.[3]

In single property appraisal, the appraiser manually determines which sales can be used as comparables, adjusts them for differences from the subject property, and determines the value of the subject property from the adjusted sales. Although conceptually excellent, this is too time consuming for mass appraisal and is also subject to inconsistencies.[4]

In mass appraisal, the sales comparison approach is applied by developing a model that estimates probable selling prices based on physical and locational characteristics. During model calibration, the appraiser determines from the market the amount each variable included in the model contributes to price. The model is then applied to properties meeting that same criteria, for example those in the same market or economic area. Because the same model is applied to all such properties, values should be consistent.[5]

---

[1] Mass Appraisal of Real Property, Copyright 1999 IAAO page 5
[2] Mass Appraisal of Real Property, Copyright 1999 IAAO page 380
[3] Mass Appraisal of Real Property, Copyright 1999 IAAO page 5
[4] Mass Appraisal of Real Property, Copyright 1999 IAAO page 18
[5] Mass Appraisal of Real Property, Copyright 1999 IAAO page 19

## Basic Premise

As a matter of consistency it is imperative the subjective decisions be kept at a minimum and the guidelines for those decisions be well defined and based on established appraisal principles. Subjective decisions such as Quality, Condition and Style, when based on established costing manuals such as Marshall and Swift, are well defined and an acceptable level of consistency can be achieved.

Subjective decisions such as adjustments for time of sale, location, lot value, view, design and appeal, age, gross living area, functional utility and garage/carport should be based on conclusions drawn from market studies and should be explainable and documented. An opinion based on "experience and expertise" without specific documentation is very subjective and should be viewed with skepticism. These types of decisions, especially when multiplied by such things as lot or building area can lead to large discrepancies or a tendency on the part of some appraisers to adjust to a result. It is difficult to evaluate the legitimacy of the adjustment without knowing the underlying data. The opinion of an expert is only as good as the underlying data.

In an effort to keep those types of subjective decisions at a minimum and to limit the variance or error that comes from using gross area adjustments the CAMA system is basing its Sales Comparison Approach on either the Minkowski Metric or the Euclidean Metric systems of adjustments. The appraiser may choose either method in the process of applying the Sales Comparison Approach.

While both algorithms[6] are metric based (base of ten) the difference is that in the Minkowski Metric system the absolute percentage difference is computed for each attribute while in the Euclidean the difference between the attribute of the subject and the comparable is squared and then divided by the absolute deviation. Both are a measurement of difference or distance from the subject to the comparable and that difference is used to select the comparables for the purpose of arriving at value.

The important thing to note is that both work from the square foot value of the comparable and adjustments are made to the square foot value. The final adjusted square foot value is then multiplied by the area of the subject to arrive at an adjusted sale price. There is no subjective decision by the appraiser as to a value per square foot adjustment for the difference in living area. This eliminates the opportunity for adjustments that effect the adjusted value to skew the adjusted value.

## Process

The process consists of two basic steps. The first is the creation of the Comparable Sales Selection Model Table and the second step is the creation of the Comparable Sales Adjustment Table. A model is defined as "a representation ( in words or an equation) that explains the relationship between value or the estimated sale price and variables representing factors of supply and demand.[7]

---

[6] A systematic method of solving a certain kind of mathematical problem-Webster's New World Dict. 1996
[7] Mass Appraisal of Real Property Copyright 1999 IAAO page 382

Each step in the process consists of two parts, model specification and model calibration. Model specification is defined as "the formal development of a model in a statement or equation, based on data analysis and appraisal theory. During model specification, one determines the variables to test or use in a mass appraisal model."[8] Model calibration is "the development of the adjustments or coefficients from market analysis of the variables to be used in a mass appraisal model."[9]

**The Comparable Sales Selection Model Table**

The Comparable Sales Selection Model Table determines which properties in the Residential Sales File are selected as comparable sales for Residential and Mobile Home appraisal records. The Comparable Sales Selection Model Table is a user defined series of records.[10] The Comparable Sales Selection Model Table contains the following fields: [11]

1) **Table Number**- the Table Number is a unique number identifying the model.
2) **Description**- the description of the model, example-Residential Model for South Sioux etc.
3) **Index Type**-the appraiser chooses either "MINKOWSKI" or "EUCLIDEAN".
4) **Neighborhood Options**- the appraiser chooses either "SAME" or "RANGE"
5) **Neighborhood Range**- this must be completed if "RANGE' is selected in Neighborhood Options.
6) **Sale Date Range**- the appraiser chooses the beginning and ending dates for the time period the comparables are to be selected from.
7) **Maximum Distance Factor**- the appraiser enters the maximum distance to include sales as comparables. Sales of properties above this number will not be selected. This is not the physical distance from the house, but a measure of compatibility between the subject house and the potential comparable.
8) **Source Name**-the appraiser selects the fields from the Appraisal File for the attribute used to determine Comparable selection.
9) **Attribute**- enter the field name for the attribute of the comparable
10) **Weight**- the appraiser assigns a weight to each attribute on its importance in the model. The higher the weight, the closer the comparable will have to be to the subject.

In the case of the Comparable Sales Selection Model Table the calibration of the table is in the weight assigned to each attribute. Location should not be an issue in most cases because this is probably addressed in the Neighborhood Options choice. Generally the most weight should be put on Floor Area, Style and Quality. These attributes should receive the higher weight number. The next attributes to include may be Condition, Garage Style and Area, Basement Area, Basement Finish and Exterior Wall. All weights assigned to attributes must be supported by a sales study to show their relative importance.

**The Comparable Sales Adjustment Table**

---

[8] Mass Appraisal of Real Property Copyright 1999 IAAO page 382

[10] Terra Scan Appraisal System Version 5.61, Comparable Sales Selection Model Table

[11] Condensed from Terra Scan Appraisal System Version 5.61, Comparable Sales Selection Model Table

The Comparable Sales Adjustment Table calculates the difference between the subject and each comparable and adjusts the sale price per square foot accordingly.[12] The appraiser selects those attributes that are to be adjusted from the Appraisal File, determines the calibration of each, and the CAMA program applies that algorithm to each comparable selected by the Comparable Sales Selection Model. The Comparable Sales Adjustment Table is a user defined series of attributes.[13] The Comparable Sales Adjustment Table contains the following fields: [14]

1) **Table #** - The unique number identifying this table. The default table should be number one.
2) **Description** – The description of the model. Example-Ranch style in So. Sioux City
3) **Time Adjustment** – This field allows for the adjustment of sale price in relation to the assessment date. The appraiser sets the time adjustment as a percentage per month for the difference between the sale date and the assessment date. The adjustment is derived from a market study of properties with multiple sales in a selected time frame. The CAMA system will compute the time period in months and adjust by the percent per month determined from the study and entered into the system.
4) **Max-** This allows for a maximum percent of time adjustment. It is an elective field and may or may not be used.
5) **Area Adjust-** This field gives the appraiser the option to adjust for Gross Living Area. If YES is selected the adjustment is made by developing a formula to determine the adjustment. If NO is selected the CAMA system adjusts the square foot value of the comparables and then multiplies that value by the area of the subject to arrive at an indicated value.
6) **Land Adjust-** The choices are "USE SUBJECT" and "NO ADJUSTMENT". If "USE SUBJECT" is selected the program will adjust the lot value based on the difference between the subject and the comparable. If "NOADJUSTMENT" is selected there will not be an adjustment for lot value. The assumption here is lot values in the CAMA system are reasonable.
7) **The Components Table-** This table consists of five columns or sections. Each selected component of the comparable is addressed in each section.
    a. **Source Column** – The appraiser selects those attributes that are determined to affect value from the Appraisal File and records them in this column.
    b. **Name Column-** A descriptive name, which will appear on the Residential Comparables Sales Grid, is given to each attribute
    c. **Sequence Column-** This number is automatically assigned by the CAMA System.
    d. **Type Column-** The choices in this column are "Value" "Factor" and "Multiplier". If "Value" is chosen the sale price is adjusted by a dollar amount. If "Factor" is chosen the difference between the subject and the comparable is multiplied by a factor amount. If "Multiplier" is chosen the difference between the subject and the comparable is multiplied by a percentage amount.

[12] Terra Scan Appraisal System Version 5.61, Comparable Sales Adjustment Table
[13] Terra Scan Appraisal System Version 5.61, Comparable Sales Selection Model Table
[14] Condensed from Terra Scan Appraisal System Version 5.61, Comparable Sales Selection Model Table

e. **Factor**- This column contains the formula (mathematical process) used to make the adjustment. Whether it be a value, factor or Multiplier

**Application**

In the application of the above process it is important to remember the following things:

1) Neighborhood doesn't necessarily refer to just a defined geographical location but may also include physical characteristics specific to a given group of properties,.. "such as to insure for later multiple regression modeling that the properties are homogeneous and share important locational characteristics."[15]
2) Subjective decisions must be kept at a minimum and must be supported by existing guidelines or text such as Marshall and Swift Costing Service or IAAO reference books.
3) Each factor used in the development of the Comparable Sales Selection Model Table or the Comparable Sales Adjustment Table must be supported by market information.
4) Some adjustments may come from the study of multiple neighborhoods because of a lack of sales in a particular neighborhood, for instance, in ground swimming pools, but nevertheless each adjustment must come from the market. A subjective adjustment, not based on documented sales, has no credible basis.
5) The purpose of the appraisal is not to meet a predetermined value. The purpose of the appraisal is to estimate market value based on sales data. The market value estimated is intended as support for the final reconciliation of value based on all approaches.

The final step in the valuation process is a field review of the property and the application of the appraisers experience and judgment "It is good practice in mass appraisal to review preliminary values in the field to check for errors or unusual situations and ensure consistency among parcels. During this review process, the appraiser may correct grading or other data errors or override values for parcels with special conditions."[16]

The final assessed value as reported to the property owner is a correlation of all the approaches used to estimate value. It may or may not match any particular value arrived at in any one approach. It is the result of the appraisers experience and expertise.

*Income Approach to Value:* "The income approach requires the appraiser to estimate the rental income from a property and capitalize the income into an estimate of current value. The approach recognizes that potential buyers demand property because they anticipate a future stream of income. "The appraiser estimates the income stream that would be produced in the highest and best use under typical management. The property, not the current management, is being valued; therefore, it is proper to assume that potential buyers would use the property for it's most profitable legal use, and the buyer would employee typical rather than extraordinary management,"[7]

[15] Glossary for Property Appraisal and Assessment p. 92 IAAO copyright 1997
[16] Mass Appraisal of Real Property Copyright 1999 IAAO page 22

*Cost Approach to Value:* "the cost approach is based on the principle of substitution-that a rational, informed purchaser would pay no more for a property than the cost of building an acceptable substitute with like utility. The cost approach seeks to determine the replacement cost new of an improvement less depreciation plus land."[8]

*As the Cost Approach Applies to Mass Appraisal:* In mass appraisal the sales, in a given neighborhood, are stratified by class, style, quality and condition. The Replacement Cost New for each sold improvement is calculated and the percentage difference between that RCN and the sale price, less land value, is considered to be the depreciation. The appraiser then uses the depreciations in a specific strata to determine the percentage of depreciation for that particular class, style, quality and condition. In the case of commercial/industrial property the Occupancy Code is used in place of the style since the Occupancy Code determines the interior finish, i.e. retail store, office building, medical building, bowling alley etc.

## Methodology for the Cost Approach

### Overview

The Cost Approach is based on the Replacement Cost New[17] (RCN) of an improvement minus the accrued depreciation[18] due to physical deterioration[19], functional obsolescence[20] and economic obsolescence[21]. The three most commonly used methods of calculating depreciation are the Overall Age Life Method, Capitalization of Income Method and the Sales Comparison Method,

**Overall Age Life Method-** "The overall age life method provides a direct estimate of depreciation of the subject property. Borrowed from accounting, the method is based on straight-line depreciation, in which the building is assumed to depreciate by a constant percentage each year over its economic life."[22] "Although the overall age life method is simple, it has several shortcomings. For example, it recognizes primarily physical depreciation and does not distinguish between curable and incurable conditions, more serious is the assumption that depreciation occurs in a straight line. Most structures depreciate rapidly in early life and more slowly later. Actual rates vary with type of property, location, and market conditions. This method may produce satisfactory results for short-lived items,

---

[17] "Replacement Cost New- The cost, including material, labor and overhead, that would be incurred constructing an improvement having the same utility to its owner as the subject improvement." Glossary *for* Property Appraisal and Assessment Copyright 1997 IAAO page 120

[18] "Depreciation, Accrued--(l) The amount of depreciation, from any and all sources, that affects the value of the property in question on the effective date of the appraisal." Glossary for Property Appraisal and Assessment Copyright 1997 IAAO page 41

[19] "Physical Deterioration- a cause of depreciation that is a loss in value due to ordinary wear and tear and the forces of nature." Glossary for Property Appraisal and Assessment Copyright 1997 IAAO page 102

[20] "Functional Obsolescence-Loss in value of a property resulting from changes in tastes, preferences, technical innovations or market standards," Glossary for Property Appraisal and Assessment Copyright 1997IAAOpage 59

[21] "Economic (External) Obsolescence--( 1) A cause of depreciation that is a loss in value as a result of impairment in utility and desirability caused by factors outside the property's boundaries." Glossary for Property Appraisal and Assessment Copyright 1997 IAAO page 48

[22] Property Appraisal and Assessment Administration Copyrightl990 IAAO page 224

notably personal property, but it is simplistic for real property appraisal, in which depreciation should be derived from the market."[23]

**Capitalization of Income Method**-"This method is the same as the sales comparison method except that values based on the income approach are used instead of comparables sales. Although conceptually inferior to the sales comparison method because appraisals are substituted for actual sales, the capitalization of income method can be useful for income producing properties for which good sales are usually scarce. Reliability depends on the accuracy of the income data, capitalization methods, and land values used in the analysis."[24] *"Income Approach to Value:* The income approach requires the appraiser to estimate the rental income from a property and capitalize the income into an estimate of current value. The approach recognizes that potential buyers demand property because they anticipate a future stream of income. "The appraiser estimates the income stream that would be produced in the highest and best use under typical management. The property, not the current management, *is* being valued; therefore, it is proper to assume that potential buyers would use the property for it's most profitable legal use, and the buyer would employee typical rather than extraordinary management"[25]

**Sales Comparison Method** "The sales comparison method is borrowed from the sales comparison approach. Recent sales of properties similar to the subject are identified. Building residuals, calculated by subtracting the land from sales prices, are subtracted from replacement cost new to yield accrued depreciation.... From the available data, a typical depreciation factor is calculated and multiplied against the RCN of the subject building to estimate its total accrued depreciation from all causes."[26]

The Sales comparison method of the cost approach uses sales prices as evidence of value of similar properties. The price at which a particular property sells is the price determined by the interaction of supply and demand at the time of sale. If competitive market conditions are approximated, and conditions have not changed greatly, a similar property would sell at approximately the same price.

There are several other less popular methods of determining value using the cost approach among these are the Engineering Breakdown Method and the Observed Condition Breakdown Method.

**The Engineering Breakdown Method** resembles the age-life method except that a separate depreciation is estimated for each element of the improvement the total value loss is compared to the total RCN to arrive at the percent of depreciation. This is not a market generated depreciation and therefore may lead to an inaccurate estimate of market value.

**Observed Condition Breakdown Method** This method breaks down depreciation into all its various components: curable physical deterioration, incurable short-lived-item physical deterioration, incurable basic structure (long-lived items) physical deterioration, curable functional obsolescence, incurable functional obsolescence and economic

---

[23] Property Appraisal and Assessment Administration Copyright1990 IAAO page 224-225

[24] ıı Property Appraisal and Assessment Administration Copyright1990 IAAO page 224

[25] Property Appraisal and Assessment Administration Copyright1990 IAAO page 83

[26] Property Appraisal and Assessment Administration Copyright1990 IAAO page 223

obsolescence."[27] This is not a market generated depreciation and therefore may lead to an inaccurate estimate of market value.

**Basic Premise**

By its very nature mass appraisal deals with a multitude of properties. The goal of mass appraisal is two fold, equalization and an accurate estimate of market value. The most important of these is equalization.

The result of good mass appraisal practices is an accurate estimate of market value. Equalization can only be achieved if all properties are treated equally as to the method by which RCN and depreciation are calculated. To approach a subject property, for purposes of ad valorem tax, with a single property appraisal tends to distort equalization.

**Conclusion**

The Cost Approach as used in mass appraisal is based on a market generated depreciation. This is the most reliable method for estimating value in as much as it addresses the specific data of the subject's RCN and the depreciation is generated from sales of similar property ie. all properties are treated equally. This is known as the sales comparison method of the Cost Approach.

;.

## Arriving at an Estimate of Value

Real Estate is appraised at its highest and best use. To determine the highest and best use the property must be given consideration as if vacant and then as improved. Highest and best use is that use which will generate the highest percentage of net return to the property over a reasonable length of time. In determining the highest percentage of net return four requirements must be met. The use must be:

1) Legally Permissible
2) Physically Possible
3) Financially Feasible
4) Produce Maximum Profitability

[27] Property Appraisal and Assessment Administration Copyright1990 IAAO page 225

In the process of determining an estimate of value the appraiser has reviewed each of the requirements based on the following characteristics:

*Legally Permissible:* A general knowledge of zoning laws, city ordinances, state and federal laws indicates the subject property meets this requirement. More specifically an examination of city zoning maps and regulations indicate the present use meets this requirement.

*Physically Possible:* A site's potential uses can be limited by such things as size, configuration, terrain, utilities and location. An improvement's possible uses can be limited by type, size, design and condition. More specifically an examination of the site and the improvement indicate the present use meets this requirement.

*Financially Feasible:* When analyzing the financial feasibility of a site or improvements the appraiser considers those legally and physically possible options which would give a positive return on the investment.

*Maximum Profitability:* While some options may appear to have a higher return at first glance, the appraiser must include in his analysis the cost of removing existing improvements as well as the cost of the new improvements. In many cases, even though the Net Operating Income 1 of a change in use exceeds that of present use, the return on the investment required to remove the old and build a new improvement does not exceed that of present use. More specifically an examination of other possible uses indicates the present use would probably yield the highest percentage of return on the investment.

**Highest and Best Use as Vacant**

*Legally Permissible:* Of the four requirements mentioned earlier probably the one that has the biggest influence on value. Any consideration for the use of land as vacant must take into account the restrictions put on it by existing laws and regulations. Without clear and convincing evidence that those restrictions could be changed, i.e. zoning, building codes etc. it would be inappropriate to consider other uses.

Example: Although there is a demand for land to be used to build a shopping mall, if the present zoning is residential and there is no evidence that a change could be made it would be inappropriate to value the land as a possible commercial site eligible for development.

More specifically this property is zoned as commercial and should be valued as such.

*Physically Possible:* When considering this requirement the appraiser must examine the zoning regulations for use, set back, height restrictions, building types and so forth. He must also consider such things as terrain, soil type, utilities and off site hazards or nuisances that would limit the uses of the site. It is then the responsibility of the appraiser to determine if the physical limitations of the property, either on site or off, further limit the use of the property.

More specifically there doesn't appear to be any physical limitations that affect the use of the subject

beyond the legal limitations.

*Financial Feasibility:* Since the neighborhood is factored for commercial and the area continues to have a steady growth rate it is reasonable to assume this land as vacant would be acquired for commercial use after a reasonable market time. Since there are no apparent off site influences on the property a study of vacant commercial sales should yield a reliable estimate of value. "The sales comparison approach is always the preferred approach when sufficient data are available. Only when sales data are insufficient should the assessor (appraiser) resort to alternative methods."[1]

More specifically the subject property appears to be typical of the commercial properties in the area and therefore the sales comparison approach to value should produce a reasonable estimate of value.

*Produce Maximum Profitability:* In reviewing the possible uses for the site based on existing legal restraints it is apparent to the appraiser that the site will return the maximum profitability as a commercial site.

*COMPUTER AIDED MASS APPRAISAL (CAMA SYSTEM)*

The final estimate of value was arrived at using a CAMA system. The appraisal section of the system has several main components. They include *Neighborhood Land Table, Commercial Cost Tables, Site Improvement Cost Tables* and *Depreciation Tables*

*Neighborhood Land Tables* are used to value land with similar market characteristics together. A market analysis is used to determine what neighborhood applies and then that table can be designed in such a way as to make allowances for the size to value relationship based on that analysis.

More specifically an examination of the *Neighborhood Land Table* will show that the subject was adjusted for size.

*Commercial Cost Tables* are supplied by Marshall and Swift. These are based on an Occupancy Code. The system will pull the cost from the table, make the necessary adjustments for floor area, construction type, wall height and so forth, then apply that cost to the subject as a Replacement Cost New (RCN).

More specifically an examination of the Property Record Cards for the subject will show the various elements of the buildings and the RCN of each.

*Site Improvement Cost Tables* are supplied by Marshall and Swift. These are based on an Improvement Code. The system will pull the cost from the table, make the necessary adjustments for floor area, construction type and so forth then apply that cost to the subject as a Replacement Cost New (RCN).

[1] Property Assessment Valuation second Edition IAAO p.84

More specifically an examination of the Property Record Cards for the subject will show the various

elements of the improvement and the RCN of each.

*Depreciation Tables* are built using verified sales and RCN. These tables are then applied to the subject. See the As *the Cost Approach Applies to Mass Appraisal* section above for more detail.

More specifically an examination of the Property Record Cards for the subject will show the various elements of the improvements and the depreciation applied to each.

CONCLUSION

The subject was valued using Marshall and Swift costing as applied by the CAMA system. Depreciation was determined from the market and physical inspection of the site.

The market generated depreciation is given the most weight in the reconciliation process. Since this is a market generated depreciation, based on sales assessment ratios, a verification of the accuracy of the depreciation tables is easily attained by a ratio study.

In an effort to keep the public informed the news media is advised of annual indications of changes in value. As an example the office would inform the media that, generally speaking, sales indicate real property has appreciated about 5% in the last year. In addition to this much time is spent in the office explaining valuation changes to individual property owners

**Level of Value, Quality, and Uniformity for assessment year 2012:**

| Property Class | Median | COD* | PRD* |
|---|---|---|---|
| Residential | 94 | 16.47 | 104.54 |
| Commercial | 91 | 28.68 | 116.22 |
| Agricultural Land | 69 | 22.48 | 109.40 |
| Special Value Agland | Insufficient sales to calculate reliable statistics | | |

COD means coefficient of dispersion and PRD means price related differential.
For more information regarding statistical measures see 2012 Reports & Opinions.

## ACTIONS PLANNED FOR SUMMER 2013 AND BEYOND

**2011 – Residential**

Review the rural residential property. The plan also includes and re-measuring. New depreciation tables, based on a market generated depreciation, will be created for all properties included in a total revalue or physical review. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems

necessary.

**2011-Commercial**

Continue a systematic review of all commercial property. Commercial sales will be reviewed. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary

**2011-Agricultural**

We will continue to monitor agricultural land usage as we work building permits in rural areas. We are planning on reviewing all of the agricultural residential and outbuildings. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary. The office will continue to monitor the Special Valuation Areas (greenbelt) and react to those sales as the market indicates.

**2013-Residential**

Review the residential the south ½ of South Sioux City This is the third time for this town therefore it is anticipated to be less time consuming. It is estimated to take about three weeks. New depreciation tables, based on a market generated depreciation, will be created for all properties included in a total revalue or physical review. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary.

**2013-Commercial**

We continue to work on the systematic review of Commercials and estimate completing another 25% of total commercials for this year. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary

**2013-Agricultural**

We will continue to monitor agricultural land usage as we work building permits in rural areas. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary. The office will continue to monitor the Special Valuation Areas (greenbelt) and react to those sales as the market indicates.

**2014 – Residential**

Continue the physical review South Sioux City residential. It is estimated this will be finished this year. The plan also includes and re-measuring. New depreciation tables, based on a market generated depreciation, will be created for all properties included in a total revalue or physical review. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary.

**2014-Commercial**

We continue to work on the second physical review of Commercials and estimate having a total of about 60% of the commercials completed by the end of year. Commercials in South Sioux City will be reviewed. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary

**2014-Agricultural**

We will continue to monitor agricultural land usage as we work building permits in rural areas. We are planning on reviewing a portion of the agricultural residential and outbuildings. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary. The office will continue to monitor the Special Valuation Areas (greenbelt) and react to those sales as the market indicates.

**2015 – Residential**

Review the residential property in Emerson, Jackson, Homer and Hubbard. This is the second time for these towns therefore it is anticipated to be less time consuming. It is estimated to take about two weeks. New depreciation tables, based on a market generated depreciation, will be created for all properties included in a total revalue or physical review.

Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary.

**2015-Commercial**

We begin a systematic second review of all commercial property. Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary

**2015-Agricultural**

We will continue to monitor agricultural land usage as we work building permits in rural areas.
We are planning on reviewing as much of the agricultural residential and outbuildings as time will allow. . Ratio Studies will be conducted on all properties not included in a total revalue or physical review, market adjustments will be made in those situations the appraiser deems necessary. The office will continue to monitor the Special Valuation Areas (greenbelt) and react to those sales as the market indicates.

**Assessor's Note**: The amount of work required to re-list and enter the new data in to computer program may and probably will cause adjustments to above schedule. It is imperative that the initial information entered is correct and complete in every respect. Once the correct information, for all parcels, is entered then the review process will be much less time consuming. It is the position of the assessor that it is more important to get the correct information entered each time than it is to stay on a schedule. This will lead to full utilization of the CAMA. An acceptable Level of Value and the Quality of Assessment are always the goal of any appraisal action. The current Level of Value and the Quality of Assessment are noted earlier in this document.

## Other Actions Necessary to Quality Assessment

### Cadastral Maps

Cadastral Maps show the boundaries of subdivisions of land, usually with the bearing and lengths thereof and the areas of individual tracts, for purposes of describing and recording ownership. A cadastral map may also show culture, drainage and other features relating to the value and use of the land.

Maintained By Assessment----The assistant appraiser keeps the maps up to date and draws in new subdivisions, parcel splits and anything that needs to be done. This function is aided by the use of the Agridata Program to determine soil type and location.
The maps are in good condition.

### Property Record Cards

Property Record Cards show the name of owner, the street address and the legal description of the property. Land improvements are indicated on the card. The lot size is shown. A sketch of the house drawn to scale, the outside dimensions and the type of construction. Sales date is also shown. Current year value is broken down by land value, improvements and then the total value is shown.
It is the position of this office that the old hard copy file Property Record Cards are now considered Historical files only and will be represented as such.

### Real Estate Transfers (521's)

Real Estate Transfer Statements have pertinent information including Grantor-Grantee, address and legal description of property, purchase price, and instrument number.
When we get the 521 from the Register of Deeds, we are able to change owners on the property record card and on the computer assessment screen.

Maintained by Assessment—Assessment has copies on file as well as does the Appraisal side. Assessment copies are filed in order of instrument number.
In Good Condition

## Annual Assessor Administrative Reports Required by Law/Regulation:

Abstracts (Real & Personal Property)
Assessor Survey
Sales information to PA&T rosters & annual Assessed Value Update w/Abstract
Certification of Value to Political Subdivisions
School District Taxable Value Report
Homestead Exemption Tax Loss Report (in conjunction with Treasurer)
Certificate of Taxes Levied Report
Report of current values for properties owned by Board of Education Lands & Funds

Report of all Exempt Property and Taxable Government Owned Property
Annual Plan of Assessment Report

Personal Property; administer annual filing of 1038 schedules, prepare subsequent notices for incomplete filings or failure to file and penalties applied, as required.

Permissive Exemptions: administer annual filings of applications for new or continued exempt use, review and make recommendations to county board.

Taxable Government Owned Property – annual review of government owned property not used for public purpose, send notices of intent to tax, etc.

Homestead Exemptions; administer 525 annual filings of applications, approval/denial process, taxpayer notifications, and taxpayer assistance.

Centrally Assessed – review of valuations as certified by PA&T for railroads and public service entities, establish assessment records and tax billing for tax list.

Tax Increment Financing – management of record/valuation information for properties in community redevelopment projects for proper reporting on administrative reports and allocation of ad valorem tax.

Tax Districts and Tax Rates – management of school district and other tax entity boundary changes necessary for correct assessment and tax information; input/review of tax rates used for tax billing process.

Tax Lists; prepare and certify tax lists to county treasurer for real property, personal property, and centrally assessed. In 2012 we had 531 tax list corrections as a result of problems with the CAMA program errors. That program was replaced in July 2012.

Tax List Corrections – prepare tax list correction documents for county board approval.

County Board of Equalization - attend all county board of equalization meetings for valuation protests –assemble and provide information

TERC Appeals - prepare information and attend taxpayer appeal hearings before TERC, defend valuation.

TERC Statewide Equalization – attend hearings if applicable to county, defend values, and/or implement orders of the TERC.

Education: Assessment Manager and Appraiser Education – Both the Assessment Manager and the Appriaser attend meetings, workshops, and educational classes to obtain required hours of continuing education to maintain the Assessor Certificate and the Appraiser License. The Assessor Certificate is

issued by Property Assessment and Taxation and the Appraiser License is issued by Nebraska Real Estate Appraisal Board.

Respectfully submitted:

Assessor Signature:  Date: 10/31/12

# 2013 Assessment Survey for Dakota County

## A. Staffing and Funding Information

| | |
|---|---|
| 1. | **Deputy(ies) on staff:** |
| | 1 |
| 2. | **Appraiser(s) on staff:** |
| | One full time on working between assessment and appraisal |
| 3. | **Other full-time employees:** |
| | One clerk/data entry |
| 4. | **Other part-time employees:** |
| | none |
| 5. | **Number of shared employees:** |
| | none |
| 6. | **Assessor's requested budget for current fiscal year:** |
| | $292,129.44 |
| 7. | **Adopted budget, or granted budget *if different from above*:** |
| | |
| 8. | **Amount of the total assessor's budget set aside for appraisal work:** |
| | $72,197.00 |
| 9. | **If appraisal/reappraisal budget is a separate levied fund, what is that amount:** |
| | |
| 10. | **Part of the assessor's budget that is dedicated to the computer system:** |
| | $17,000.00 |
| 11. | **Amount of the assessor's budget set aside for education/workshops:** |
| | $3,500.00 |
| 12. | **Other miscellaneous funds:** |
| | |
| 13. | **Amount of last year's assessor's budget not used:** |
| | Unknown |

## B. Computer, Automation Information and GIS

| | |
|---|---|
| 1. | **Administrative software:** |
| | Netsysplus |
| 2. | **CAMA software:** |
| | Terra Scan |
| 3. | **Are cadastral maps currently being used?** |
| | Yes |
| 4. | **If so, who maintains the Cadastral Maps?** |
| | We do |
| 5. | **Does the county have GIS software?** |
| | No |

| | |
|---|---|
| 6. | **Is GIS available to the public? If so, what is the web address?** |
| | |
| 7. | **Who maintains the GIS software and maps?** |
| | |
| 8. | **Personal Property software:** |
| | Terra Scan |

## C. Zoning Information

| | |
|---|---|
| 1. | **Does the county have zoning?** |
| | Yes |
| 2. | **If so, is the zoning countywide?** |
| | Yes |
| 3. | **What municipalities in the county are zoned?** |
| | All |
| 4. | **When was zoning implemented?** |
| | Unknown |

## D. Contracted Services

| | |
|---|---|
| 1. | **Appraisal Services:** |
| | None |
| 2. | **GIS Services:** |
| | None |
| 3. | **Other services:** |
| | None |

## E. Appraisal /Listing Services

| | |
|---|---|
| 1. | **Does the county employ outside help for appraisal or listing services?** |
| | none |
| 2. | **If so, is the appraisal or listing service performed under contract?** |
| | No |
| 3. | **What appraisal certifications or qualifications does the County require?** |
| | Education as available |
| 4. | **Have the existing contracts been approved by the PTA?** |
| | none |
| 5. | **Does the appraisal or listing service providers establish assessed values for the county?** |
| | none |

# 2013 Certification for Dakota County

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 Dakota County Assessor.

Dated this 5th day of April, 2013.

Ruth A. Sorensen
Property Tax Administrator

STATE OF NEBRASKA
PROPERTY TAX ADMINISTRATOR
DEPT. OF REVENUE PROPERTY ASSESSMENT DIVISION