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2010 Commission Summary

24 Dawson

Residential Real Property - Current

Number of Sales	441	Median	98
Total Sales Price	\$38,362,444	Mean	97
Total Adj. Sales Price	\$38,814,944	Wgt. Mean	95
Total Assessed Value	\$36,720,904	Average Assessed Value of the Base	\$67,879
Avg. Adj. Sales Price	\$88,016	Avg. Assessed Value	\$83,267

Confidence Interval - Current

95% Median C.I	96.03 to 98.51
95% Mean C.I	95.38 to 98.99
95% Wgt. Mean C.I	92.97 to 96.24

% of Value of the Class of all Real Property Value in the County	39.81
% of Records Sold in the Study Period	4.81
% of Value Sold in the Study Period	5.89

Residential Real Property - History

Year	Number of Sales	LOV	Median
2009	526	98	98
2008	652	98	98
2007	743	98	98
2006	762	98	98

2010 Commission Summary

24 Dawson

Commercial Real Property - Current

Number of Sales	79	Median	95
Total Sales Price	\$18,324,996	Mean	91
Total Adj. Sales Price	\$18,315,796	Wgt. Mean	76
Total Assessed Value	\$13,882,775	Average Assessed Value of the Base	\$158,067
Avg. Adj. Sales Price	\$231,846	Avg. Assessed Value	\$175,731

Confidence Interval - Current

95% Median C.I	91.77 to 97.07
95% Mean C.I	86.36 to 95.78
95% Wgt. Mean C.I	60.23 to 91.36

% of Value of the Class of all Real Property Value in the County	11.79
% of Records Sold in the Study Period	6.77
% of Value Sold in the Study Period	7.53

Commercial Real Property - History

Year	Number of Sales	LOV	Median
2009	82	95	95
2008	94	97	97
2007	95	99	99
2006	101	99	99

2010 Opinions of the Property Tax Administrator for Dawson 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 (R. S. Supp., 2005). 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 this 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.

Residential Real Property

It is my opinion that the level of value of the class of residential real property in Dawson County is 98% of market value. The quality of assessment for the class of residential real property in Dawson County indicates the assessment practices meet generally accepted mass appraisal practices.

Commercial Real Property

It is my opinion that the level of value of the class of commercial real property in Dawson County is 100% of market value. The quality of assessment for the class of commercial real property in Dawson County indicates the assessment practices do not meet generally accepted mass appraisal practices.

Agricultural Land or Special Valuation of Agricultural Land

It is my opinion that the level of value of the class of agricultural land in Dawson County is 72% of market value. The quality of assessment for the class of agricultural land in Dawson County indicates the assessment practices meet generally accepted mass appraisal practices.

It is my opinion that the level of value of the class of agricultural land receiving special valuation in Dawson County is 72%. The quality of assessment for the class of agricultural land receiving special valuation in Dawson County indicates the assessment practices meet generally accepted mass appraisal practices.

Dated this 7th day of April, 2010.



A handwritten signature in cursive script that reads "Ruth A. Sorensen".

Ruth A. Sorensen
Property Tax Administrator

2010 Assessment Actions for Dawson County

taken to address the following property classes/subclasses:

Residential

The three year plan indicates the assessor's intent to review the rural residential and farm home sites for 2010, however, it was not possible to complete the review of all rural areas. The contract appraiser completed the review in ranges 23, 24, and 25 which includes the Cozad Rural, Gothenburg Rural, and Farnam Rural Valuation groupings. The Plum Creek Canyon Valuation grouping was also reviewed. A new market model was established by the contract appraiser for the reviewed areas. No adjustment was made to the rural properties that were not reviewed for this year. The assessor noted that a sales study indicated that the Cozad Rural and Gothenburg Rural Valuation Groupings were mostly in need of revaluing. The remainder of the rural properties will be reviewed for 2011.

For the remainder of the residential class, only routine maintenance was completed. A sales study was completed indicating that no adjustments were needed. The sold properties were reviewed, and a few listing errors were corrected. The pickup work was completed by the office appraiser.

2010 Assessment Survey for Dawson County

Residential Appraisal Information

1.	Valuation data collection done by:	
	The office appraiser, the assessor, and the contracted appraisal service.	
2.	List the valuation groupings used by the County:	
	01	Cozad
	02	Cozad Rural
	03	Gothenburg
	04	Gothenburg Rural
	05	Lexington
	06	Lexington Rural
	07	Eddyville
	08	Farnam
	09	Farnam Rural
	10	Overton
	11	Overton Rural
	12	Sumner
	13	Sumner Rural
	14	Johnson Lake
	15	Midway Lake
	16	Plum Creek Canyons
a.	Describe the specific characteristics of the valuation groupings that make them unique.	
	<p>For purposes of explaining the valuation groupings they have been broken down into categories of populations greater than 1,500, populations less than 1,500, and lake properties.</p> <p><u>Populations greater than 1500</u></p> <ol style="list-style-type: none"> 1. Cozad is in the center of Dawson County. Over the past few years, new home construction has been active in Cozad, and the real estate market has been stable to slightly increasing. Recently, Tenneco Automotive announced that it would be closing its Cozad plant eliminating approximately 500 jobs. A downward trend in the housing market seems likely, it will be necessary to maintain Cozad as a separate valuation grouping to monitor any market changes. 2. Gothenburg is on the Western edge of Dawson County. Gothenburg's economy is similar to Cozad and Lexington's however, the manufacturing facilities are generally smaller, with fewer jobs available. The city leadership in Gothenburg has been very aggressive with the use of tax increment financing for economic development which has kept the demand for housing strong in Gothenburg. New home construction has also been strong over the past several years. Gothenburg is also located only 35 miles 	

east of North Platte in Lincoln County, and many residents of Gothenburg commute to North Platte to work for the Union Pacific Railroad, the Wal-Mart Distribution Center, and other employers.

5. Lexington is the largest community in Dawson County, and is the home of Tyson Foods, the largest employer in Dawson County employing approximately 2,450 workers. Since Tyson Foods (then IBP) opened for business in Lexington, the community has grown rapidly bringing a cultural diversity to Lexington that is not typically found in Central Nebraska. This diversity has had an influence on the real estate market in Lexington. In general, the market in Lexington is still very active. However, in recent years there have been a significant number of foreclosures. Lexington is currently experiencing growth in new home construction, but has lagged behind Cozad and Gothenburg in new home construction over recent years.

Populations less than 1,500

7. Eddyville is in Northeastern Dawson County. It is a very small community with little or no services or retail businesses.
8. Farnam is in Southwestern Dawson County. It is a very small community with little or no services or retail businesses.
10. Overton is a small community also located along the Interstate 80 corridor. Overton's population base makes it incomparable to the larger communities in Dawson County; however, because it is centrally located between Lexington and Kearney, in Buffalo County, the demand for housing in Overton remains stronger than it does in the other small villages of Dawson County.
12. Sumner is a small village in Northeastern Dawson County. The Sumner-Eddyville-Miller Consolidated school is located in Sumner along with a coop and some other small town commercial businesses. Sumner typically has more sales activity and a stronger market than the Villages of Farnam or Eddyville.

Lake Properties and Rural Subdivisions

14. Johnson Lake is not an incorporated village, but is a community all of its own. The majority of properties at the lake are homes rather than cabins and are occupied year round. Demand for these properties continues to be strong, as the recreational activity available at the lake continues to be desirable to buyers.
15. Midway Lake is a much smaller lake than Johnson Lake, and is generally less desirable to buyers. One of the major areas of Midway Lake is accessed by Camp Comeca, a local church camp, which limits the area that

	<p>is available for residential development. The properties around the remainder of the lake are primarily cabin type properties with fewer permanent homes.</p> <p>16. The Plum Creek Canyons valuation grouping is a rural subdivision in a canyon area west of Johnson Lake. This area is less accessible with poorer, less developed roads. The homes and cabins in this area are generally sited above various small lakes and ponds along the rim or on mesas. The lots are small acreages. The remoteness of this area is apparently attractive to some buyers, and properties generally bring a premium.</p> <p><u>Rural Areas</u> Valuation groupings 2, 4, 6, 9, 11, and 13 makeup the rural areas of Dawson County. The assessor notes that these areas tend to follow the urban areas that they surround, but are also influenced by the strong demand for rural living.</p>
3.	What approach(es) to value is/are used for this class to estimate the market value of properties? List or describe.
	The cost approach is used and is supported by a market approach that is developed by the contracted appraiser.
4.	When was the last lot value study completed?
	A lot study is completed yearly.
a.	What methodology was used to determine the residential lot values?
	Lot values for residential properties in the towns and villages are established by completing a sales study based on price paid per square foot. For the lake properties, a leasehold value per unit is established because the lots at the lakes are often abnormal shaped and market prices do not necessarily reflect the size of the lot.
5.	Is the same costing year for the cost approach being used for the entire valuation grouping? If not, identify and explain the differences?
	The same cost table is used for the entire class.
6.	Does the County develop the depreciation study(ies) based on local market information or does the County use the tables provided by their CAMA vender?
	Depreciation studies are completed yearly and compared to the tables in the CAMA system; however, the CAMA tables are currently used. The values generated by the cost and depreciation in the CAMA system are also supported by price per square foot market valuation model develop by the contracted appraiser, generally the CAMA values and the values from the appraisers model correlate closely.
a.	How often does the County update depreciation tables?
	At least every two years.
7.	Pickup work:
a.	Is pickup work done annually and is it completed by March 19th?
	Yes

b.	By Whom?
	The office appraiser
c.	Is the valuation process (cost date and depreciation schedule or market comparison) used for the pickup work the same as the one that was used for the valuation group?
	Yes
8.	What is the County's progress with the 6 year inspection and review requirement? (Statute 77-1311.03)
	The assessor maintains that the county is on track with the 6 year inspection and review requirement, as it is his intention to review the entire county in a three year cycle.
a.	Does the County maintain a tracking process? If yes describe.
	The assessor keeps a log of review work, and an attempt is made to note the date of the physical review on each property record card. The assessor documents his intentions for the coming years review work within the three year plan; however, it lacks sufficient detail to determine whether all parcels are being reviewed as required.
b.	How are the results of the portion of the properties inspected and reviewed applied to the balance of the county?
	The assessor notes that physical review does not necessarily result in a change in valuation. The assessor ensures that properties are equalized across the county by using the same costing and depreciation tables.

PAD 2010 R&O Statistics

Base Stat

State Stat Run

Type: Qualified

Date Range: 07/01/2007 to 06/30/2009 Posted Before: 02/15/2010

(!: AVTot=0)

(!: Derived)

NUMBER of Sales:	441	MEDIAN:	98	COV:	19.94	95% Median C.I.:	96.03 to 98.51
TOTAL Sales Price:	38,362,444	WGT. MEAN:	95	STD:	19.38	95% Wgt. Mean C.I.:	92.97 to 96.24
TOTAL Adj.Sales Price:	38,814,944	MEAN:	97	AVG.ABS.DEV:	12.38	95% Mean C.I.:	95.38 to 98.99
TOTAL Assessed Value:	36,720,904						
AVG. Adj. Sales Price:	88,015	COD:	12.68	MAX Sales Ratio:	242.42		
AVG. Assessed Value:	83,267	PRD:	102.73	MIN Sales Ratio:	12.74		

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DATE OF SALE *	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
<u>Qrtrs</u>											
07/01/07 TO 09/30/07	79	97.88	96.38	92.85	12.43	103.81	29.41	138.53	94.39 to 99.21	89,031	82,663
10/01/07 TO 12/31/07	50	96.97	99.71	96.74	10.40	103.08	61.55	165.07	95.57 to 99.78	95,945	92,814
01/01/08 TO 03/31/08	41	98.12	98.28	93.96	13.12	104.60	63.46	154.86	91.86 to 101.35	92,560	86,967
04/01/08 TO 06/30/08	64	94.94	92.47	91.49	12.30	101.07	12.74	129.49	91.94 to 98.18	81,182	74,276
07/01/08 TO 09/30/08	56	98.80	97.35	95.06	10.72	102.41	50.00	136.62	95.74 to 99.69	92,831	88,243
10/01/08 TO 12/31/08	49	98.32	95.23	95.28	11.62	99.95	56.20	127.05	92.28 to 99.55	85,257	81,233
01/01/09 TO 03/31/09	44	98.11	99.33	98.56	15.21	100.78	58.82	154.55	90.93 to 102.53	86,613	85,367
04/01/09 TO 06/30/09	58	98.54	100.38	94.71	15.45	105.99	66.13	242.42	93.61 to 100.02	82,867	78,483
<u>Study Years</u>											
07/01/07 TO 06/30/08	234	97.12	96.36	93.61	12.13	102.94	12.74	165.07	95.49 to 98.25	88,980	83,292
07/01/08 TO 06/30/09	207	98.46	98.12	95.76	13.22	102.46	50.00	242.42	95.81 to 99.24	86,925	83,238
<u>Calendar Yrs</u>											
01/01/08 TO 12/31/08	210	97.36	95.55	93.87	11.98	101.79	12.74	154.86	95.65 to 98.53	87,461	82,102
<u>ALL</u>											
	441	97.59	97.18	94.61	12.68	102.73	12.74	242.42	96.03 to 98.51	88,015	83,267

VALUATION GROUP	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
01	87	99.19	105.13	101.78	10.28	103.30	66.89	190.92	98.19 to 100.00	64,126	65,264
02	13	98.82	93.46	93.99	8.40	99.44	56.20	111.54	93.51 to 100.02	97,956	92,066
03	109	94.93	94.75	92.24	14.54	102.72	12.74	152.21	91.83 to 99.07	98,200	90,577
04	6	84.88	86.17	86.30	3.75	99.85	81.80	95.39	81.80 to 95.39	100,294	86,553
05	126	97.46	96.73	96.30	11.76	100.44	29.41	242.42	94.79 to 99.17	82,531	79,477
06	8	98.49	101.47	92.64	14.14	109.54	62.07	165.07	62.07 to 165.07	154,000	142,662
07	2	99.82	99.82	93.99	28.30	106.19	71.57	128.06	N/A	9,950	9,352
08	9	96.64	107.06	101.88	14.79	105.09	90.75	131.53	91.47 to 128.25	28,730	29,270
10	11	96.69	95.77	93.83	9.03	102.06	67.88	116.53	86.42 to 109.38	46,172	43,324
11	4	103.46	100.10	102.06	9.49	98.07	81.26	112.21	N/A	56,750	57,919
12	3	95.39	93.31	90.00	7.49	103.68	81.56	102.98	N/A	20,333	18,300
14	57	94.46	91.93	92.06	15.46	99.85	50.00	162.65	86.56 to 98.13	131,452	121,020
15	3	98.94	93.59	93.87	5.93	99.70	82.12	99.71	N/A	45,233	42,461
16	3	97.64	78.19	70.42	20.80	111.03	38.00	98.93	N/A	107,666	75,820
<u>ALL</u>											
	441	97.59	97.18	94.61	12.68	102.73	12.74	242.42	96.03 to 98.51	88,015	83,267

PAD 2010 R&O Statistics

Base Stat

State Stat Run

Type: Qualified

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AVG. Assessed Value:	83,267	PRD:	102.73	MIN Sales Ratio:	12.74		

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STATUS: IMPROVED, UNIMPROVED & IOLL

RANGE	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
1	378	97.63	97.45	94.78	11.86	102.81	12.74	190.92	96.03 to 98.62	86,582	82,064
2	26	94.29	92.18	76.79	27.85	120.05	29.41	242.42	66.89 to 100.02	23,365	17,941
3	37	97.64	98.02	95.52	10.88	102.61	68.48	162.65	94.61 to 100.00	148,091	141,463
<u>ALL</u>											
	441	97.59	97.18	94.61	12.68	102.73	12.74	242.42	96.03 to 98.51	88,015	83,267

PROPERTY TYPE *

RANGE	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
01	439	97.51	97.15	94.60	12.72	102.70	12.74	242.42	96.01 to 98.50	88,380	83,608
06	1	100.48	100.48	100.48			100.48	100.48	N/A	6,000	6,029
07	1	107.61	107.61	107.61			107.61	107.61	N/A	10,000	10,761
<u>ALL</u>											
	441	97.59	97.18	94.61	12.68	102.73	12.74	242.42	96.03 to 98.51	88,015	83,267

SALE PRICE *

RANGE	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
<u>Low \$</u>											
1 TO 4999	5	93.33	89.09	85.07	9.38	104.73	66.67	100.00	N/A	2,700	2,297
5000 TO 9999	13	105.00	110.17	110.72	32.65	99.50	54.55	242.42	60.00 to 128.06	6,707	7,426
<u>Total \$</u>											
1 TO 9999	18	100.00	104.31	107.28	28.12	97.24	54.55	242.42	66.89 to 123.24	5,594	6,001
10000 TO 29999	48	105.29	103.68	103.06	18.78	100.60	29.41	190.92	96.54 to 113.88	20,389	21,012
30000 TO 59999	90	98.39	101.50	102.19	13.64	99.32	56.20	154.86	96.31 to 99.88	44,719	45,698
60000 TO 99999	133	97.11	96.15	96.16	10.36	99.99	52.78	162.65	94.95 to 98.79	78,184	75,184
100000 TO 149999	95	95.49	93.06	92.88	9.50	100.19	12.74	129.49	92.97 to 98.64	121,599	112,945
150000 TO 249999	47	95.74	92.95	93.23	8.59	99.70	38.00	115.61	94.05 to 98.48	181,460	169,172
250000 TO 499999	9	92.63	88.10	88.65	12.48	99.38	57.06	105.27	69.38 to 102.94	302,133	267,835
500000 +	1	78.14	78.14	78.14			78.14	78.14	N/A	512,500	400,450
<u>ALL</u>											
	441	97.59	97.18	94.61	12.68	102.73	12.74	242.42	96.03 to 98.51	88,015	83,267

**2010 Correlation Section
for Dawson County**

Residential Real Property

I. Correlation

The level of value for the residential real property in Dawson County, as determined by the PTA is 98%. The mathematically calculated median is 98%.

RESIDENTIAL:In determining the level of value for the residential class, the ratio study and the assessment practices are considered. Statistics were calculated using a sufficient number of sales, and it is believed that the assessor applies assessment actions to sold and unsold parcels similarly. Therefore, the median is the best indicator of the level of value in the residential class. All three measures of central tendency are within the required range and support the level of value. The qualitative statistics are also within the required range. It is believed that assessments have been applied uniformly in the residential class. There is no information available to suggest that a non-binding recommendation is necessary.

**2010 Correlation Section
for Dawson County**

II. Analysis of Sales Verification

Neb. Rev. Stat. 77-1327(2) 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 (2007), 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 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.

RESIDENTIAL: The sales verification process is conducted through a variety of means in the Dawson County Assessor's office. When a valuation grouping is scheduled for a physical review, the contract appraiser and his staff will attempt to verify all the sales that have occurred within the area. An attempt is made to speak to the new property owners during the review and a standard set of questions is asked regarding the sale. When permitted an interior inspection will be completed. The appraiser will also attempt to contact all of the sellers to complete the verification process.

For the areas that are not scheduled for physical review, the assessor, deputy assessor, or in-house appraiser will conduct the sales verification. They will rely upon their collective knowledge of the taxpayers and the market when determining whether sales are arms length transactions. Public records and other local government officials are often sources of sales information. Occasionally, the buyer or seller, an attorney, realtor, or other real estate professional is contacted to discover sale terms. The assessor notes that this is typically done when a sale comes in that does not appear to follow the current market trend for the valuation grouping. The in-house appraiser will typically conduct a drive by inspection of all sold parcels.

A review of the non-qualified residential sales reveals the reasons why sales are being excluded in Dawson County. Most of the excluded sales were foreclosure transactions, family sales, estate clearings, or substantially changed properties. The rest of the sales that were excluded included contract sales, sales from exempt entities, mobile home sales, and use changes. It appears that all arms length transactions have been used in the measurement of the residential class.

**2010 Correlation Section
for Dawson County**

III. Measure 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 in 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 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.

	Median	Wgt. Mean	Mean
R&O Statistics	98	95	97

**2010 Correlation Section
for Dawson County**

IV. 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 International Association of Assessing Officers recommended ratio study performance standards are as follows:

Single-family residences: a COD of 15 percent or less.

For newer and fairly homogeneous areas: a COD of 10 or less.

Income-producing property: a COD of 20 or less, or in larger urban jurisdictions, 15 or less.

Vacant land and other unimproved property, such as agricultural land: a COD of 20 or less.

Rural residential and seasonal properties: a COD of 20 or less.

Mass Appraisal of Real Property, International Association of Assessing Officers, (1999), p. 246.

In unusually homogeneous types of property low CODs can be anticipated; however, in all other cases CODs less than 5 percent may be indicative of non-representative samples or the selective reappraisal of sold parcels.

The PRD, also known as the index of regression, is a measurement of the relationship between the ratios of high-value and low-value properties to determine if the value of property has any influence on the assessment ratio. It is calculated by dividing the arithmetic mean ratio by the weighted mean ratio. The PRD provides an indicator of the degree to which high-value properties are over-assessed or under-assessed in relation to low-value properties. A PRD of 100 indicates there is no bias in the assessment of high-value properties in comparison to low-value properties. A PRD greater than 100 indicates the assessments are regressive, which means low-value properties tend to have a higher assessment ratio than high-value properties. The result is the owner of a low-value property pays a greater amount of tax in relation to value than the owner of a high-value property. Conversely, a PRD less than 100 indicates that high-value properties are over assessed in relation to low-value properties.

There is no range of acceptability stated in the Nebraska statutes for the PRD measure. The Standard of Ratio Studies, adopted by the International Association of Assessing Officers, July,

**2010 Correlation Section
for Dawson County**

2007, 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. 247.

The analysis in this section displays the calculated COD and PRD measures for Dawson County, which are considered as one part of the analysis of the County's assessment practices.

	COD	PRD
R&O Statistics	12.68	102.73

RESIDENTIAL:Both the COD and the PRD meet the standards established by the IAAO. The qualitative statistics support that assessment uniformity has been achieved within the residential class.

2010 Assessment Actions for Dawson County

taken to address the following property classes/subclasses:

Commercial

Only routine maintenance was completed in the commercial class for 2010. The contracted appraiser reviewed all commercial sales within the county. The review indicated that several listing and coding errors existed in a few of the sold properties. After correcting these errors a sales study was completed; no adjustment was made to the commercial class. The pickup work was completed by the office appraiser.

2010 Assessment Survey for Dawson County

Commercial / Industrial Appraisal Information

1.	Valuation data collection done by:	
	The office appraiser, the assessor, and a contracted appraisal service.	
2.	List the valuation groupings used by the County:	
	01	Cozad
	02	Cozad Rural
	03	Gothenburg
	04	Gothenburg Rural
	05	Lexington
	06	Lexington Rural
	07	Eddyville
	08	Farnam
	09	Farnam Rural
	10	Overton
	11	Overton Rural
	12	Sumner
	13	Sumner Rural
	14	Johnson Lake
a.	Describe the specific characteristics of the valuation groupings that make them unique.	
	<p>For purposes of explaining the valuation groupings they have been broken down into categories of populations greater than 1,500, populations less than 1,500, and lake properties.</p> <p><u>Populations greater than 1,500</u></p> <ol style="list-style-type: none"> 1. Cozad is in the center of Dawson County, and has historically had a strong commercial market. Cozad has a variety of agricultural and industrial businesses as well as a strong main street market. A variety of retail businesses can be found in downtown Cozad, making it somewhat appealing to area residence. Recently, Tenneco Automotive announced that it would be closing its Cozad plant, it is necessary to maintain Cozad as a separate valuation grouping to monitor any influence that the loss of Tenneco and its employees may have on the commercial market in Cozad. 3. Gothenburg is on the Western edge of Dawson County. The city leadership in Gothenburg has been very aggressive with the use of tax increment financing to grow the industry and commercial development of the town. Gothenburg contains a variety of agricultural and industrial businesses that help keep the local economy strong. The main street market in Gothenburg is less active than it is in Cozad or Lexington, and in recent years it has been a struggle to keep buildings occupied in the downtown area. 	

5. Lexington is the largest community in Dawson County, and is also the largest shopping center in the county. It is home to the only Wal-Mart in Dawson County, which has had an adverse effect on its local grocery and retail businesses. Lexington has a variety of manufacturing and industrial facilities including Tyson Foods. Tyson foods employees approximately 2450 people, and has brought a variety of different ethnic groups to Lexington. This diversity has had a strong influence on the commercial real estate market in Lexington. A drive through Lexington's main street will show a variety of grocery stores, and restaurants owned and operated by and for many of the different ethnic groups found in Lexington.

Populations less than 1,500

7. Eddyville is in Northeastern Dawson County. It is a very small community with little or no commercial activity each year. This community is most similar to Farnam; however, because of the physical distance separating the two villages the assessor finds it inappropriate to value them with the same valuation model.
8. Farnam is in Southwestern Dawson County. It is a very small community with little or no commercial activity each year. This community is most similar to Eddyville; however, because of the physical distance separating the two villages the assessor finds it inappropriate to value them with the same valuation model.
10. Overton is a small community also located along the Interstate 80 corridor. Overton's population base makes it incomparable to the larger communities in Dawson County; there is very little commercial activity in Overton each year, however, its location along Interstate 80 and Highway 30 make it a stronger market than what is found in the other small villages of Dawson County.
12. Sumner is a small village in Northeastern Dawson County. The Sumner-Eddyville-Miller Consolidated school is located in Sumner along with a coop and some other small town commercial businesses. Sumner typically has more sales activity and a stronger market than the villages of Farnam or Eddyville.

Lake Properties

13. Johnson Lake is not an incorporated village, but is a community all of its own, with several convenience stores, restaurants, bait shops, and other marina type businesses. There is little to no sales activity at the lake during a typical three year study period however, the market is very unique and cannot be compared to the market found in the towns or villages of Dawson County.

	<p><u>Rural Areas</u></p> <p>Valuation groupings 2, 4, 6, 9, 11, and 13 represent the rural areas in Dawson County. The assessor notes that the market in these groups tend to follow the valuation groupings that they surround. However, the businesses in the rural area tend to be more agricultural based businesses and are kept separate because they are not generally comparable to the businesses found in the main business districts throughout the county.</p>
3.	<p>What approach(es) to value is/are used for this class to estimate the market value of properties? List or describe.</p>
	<p>The income approach is utilized for all properties where rent, income, and expense data can be obtained from the market. The sales comparison approach is also used for properties of the same occupancy codes if enough sales are available. There are not always enough sales of a single occupancy code to develop a sales comparison approach, if neither the income or the sale comparison approach can be developed, then the cost approach is used to arrive at value.</p>
4	<p>When was the last lot value study completed?</p>
	<p>A lot value study is completed yearly.</p>
a.	<p>What methodology was used to determine the commercial lot values?</p>
	<p>Lot values for commercial properties along the highway and main street strips are developed by completing a sales study using the front foot method. In areas where the market does not show an influence from being located along a highway or main street, the square foot method is employed.</p>
5.	<p>Is the same costing year for the cost approach being used for entire valuation grouping? If not, identify and explain the differences?</p>
	<p>Yes</p>
6.	<p>Does the County develop the depreciation study(ies) based on local market information or does the County use the tables provided by their CAMA vender?</p>
	<p>The CAMA tables are currently used. The values generated by the cost and depreciation in the CAMA system are also supported by price per square foot market valuation model develop by the contracted appraiser, generally the two models correlate closely.</p>
a.	<p>How often does the County update the depreciation tables?</p>
	<p>At least every two years.</p>
7.	<p>Pickup work:</p>
a.	<p>Is pickup work done annually and is it completed by March 19th?</p>
	<p>Yes</p>
b.	<p>By Whom?</p>
	<p>The office appraiser will do the pickup work unless it involves an industrial property. The contract appraisal service will complete the pickup work of any industrial parcels.</p>
c.	<p>Is the valuation process (cost date and depreciation schedule or market comparison) used for the pickup work the same as the one that was used for the valuation group?</p>
	<p>Yes</p>

8.	What is the Counties progress with the 6 year inspection and review requirement? (Statute 77-1311.03)
	The assessor maintains that the county is on track with the 6 year inspection and review requirement, as it is his intention to review the entire county in a three year cycle.
a.	Does the County maintain a tracking process? If yes describe.
	The assessor keeps a log of review work, and an attempt is made to note the date of the physical review on each property record card. The assessor documents his intentions for the coming years review work within the three year plan; however, it lacks sufficient detail to determine whether all parcels are being reviewed as required.
b.	How are the results of the portion of the properties inspected and reviewed applied to the balance of the county?
	The assessor notes that a physical inspection does not always warrant a change in value. Since the review work is done by occupancy code, the assessor does not apply changes made in one occupancy code to properties of a different occupancy code.

PAD 2010 R&O Statistics

Base Stat

State Stat Run

Type: Qualified

Date Range: 07/01/2006 to 06/30/2009 Posted Before: 02/15/2010

(!: AVTot=0)

(!: Derived)

NUMBER of Sales:	79	MEDIAN:	95	COV:	23.46	95% Median C.I.:	91.77 to 97.07
TOTAL Sales Price:	18,324,996	WGT. MEAN:	76	STD:	21.36	95% Wgt. Mean C.I.:	60.23 to 91.36
TOTAL Adj.Sales Price:	18,315,796	MEAN:	91	AVG.ABS.DEV:	14.72	95% Mean C.I.:	86.36 to 95.78
TOTAL Assessed Value:	13,882,775						
AVG. Adj. Sales Price:	231,845	COD:	15.52	MAX Sales Ratio:	162.33		
AVG. Assessed Value:	175,731	PRD:	120.15	MIN Sales Ratio:	40.86		

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DATE OF SALE *	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
<u>Qrtrs</u>											
07/01/06 TO 09/30/06	10	95.67	94.80	101.32	8.68	93.56	66.44	107.20	87.48 to 107.20	99,890	101,208
10/01/06 TO 12/31/06	11	94.50	86.09	57.42	14.64	149.93	49.68	111.94	49.98 to 99.85	563,090	323,341
01/01/07 TO 03/31/07	4	95.15	88.85	75.94	9.52	117.00	65.10	100.00	N/A	193,125	146,650
04/01/07 TO 06/30/07	3	80.30	89.97	81.04	13.45	111.01	78.60	111.00	N/A	582,600	472,150
07/01/07 TO 09/30/07	4	92.65	90.99	89.12	17.66	102.10	62.86	115.83	N/A	62,500	55,699
10/01/07 TO 12/31/07	4	99.81	99.28	87.18	22.32	113.87	66.38	131.11	N/A	75,750	66,042
01/01/08 TO 03/31/08	3	76.29	100.45	78.89	37.65	127.33	69.44	155.61	N/A	60,000	47,332
04/01/08 TO 06/30/08	13	93.48	92.10	91.93	10.12	100.19	62.50	110.00	80.00 to 103.73	94,084	86,494
07/01/08 TO 09/30/08	6	96.66	95.00	97.23	4.35	97.71	81.23	102.22	81.23 to 102.22	246,666	239,822
10/01/08 TO 12/31/08	7	99.57	92.80	90.39	27.64	102.66	40.86	162.33	40.86 to 162.33	119,071	107,632
01/01/09 TO 03/31/09	6	94.91	84.46	74.73	13.17	113.02	60.26	99.49	60.26 to 99.49	610,333	456,073
04/01/09 TO 06/30/09	8	86.04	86.00	93.69	22.12	91.79	43.33	116.08	43.33 to 116.08	83,875	78,586
<u>Study Years</u>											
07/01/06 TO 06/30/07	28	94.59	90.01	67.66	12.02	133.03	49.68	111.94	87.48 to 98.68	346,900	234,710
07/01/07 TO 06/30/08	24	93.41	94.16	89.64	16.99	105.04	62.50	155.61	80.00 to 103.73	81,503	73,058
07/01/08 TO 06/30/09	27	96.25	89.42	83.62	17.65	106.94	40.86	162.33	78.93 to 99.49	246,166	205,832
<u>Calendar Yrs</u>											
01/01/07 TO 12/31/07	15	94.48	92.43	81.02	16.75	114.08	62.86	131.11	78.60 to 111.00	204,886	166,001
01/01/08 TO 12/31/08	29	96.25	93.73	93.06	16.29	100.72	40.86	162.33	90.51 to 99.57	128,158	119,268
<u>ALL</u>											
	79	94.83	91.07	75.80	15.52	120.15	40.86	162.33	91.77 to 97.07	231,845	175,731

VALUATION GROUP	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
01	19	96.15	93.28	89.26	16.99	104.51	40.86	162.33	81.23 to 103.73	82,436	73,579
03	29	95.00	93.45	88.30	13.42	105.84	49.98	155.61	87.48 to 98.89	131,865	116,435
04	2	89.61	89.61	87.27	16.54	102.68	74.79	104.43	N/A	184,000	160,583
05	24	95.24	91.32	71.34	13.93	128.00	49.68	131.11	80.30 to 100.00	454,229	324,040
06	1	60.26	60.26	60.26			60.26	60.26	N/A	1,540,000	928,000
07	2	72.69	72.69	78.78	8.59	92.26	66.44	78.93	N/A	37,950	29,898
08	1	43.33	43.33	43.33			43.33	43.33	N/A	30,000	13,000
11	1	92.09	92.09	92.09			92.09	92.09	N/A	10,000	9,209
<u>ALL</u>											
	79	94.83	91.07	75.80	15.52	120.15	40.86	162.33	91.77 to 97.07	231,845	175,731

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STATUS: IMPROVED, UNIMPROVED & IOLL

RANGE	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
1	64	94.91	92.49	75.84	14.14	121.96	43.33	162.33	90.80 to 98.68	277,751	210,647
2	12	93.50	91.23	90.73	17.19	100.56	49.98	155.61	73.40 to 97.16	15,808	14,342
3	3	40.86	60.02	65.49	46.88	91.64	40.86	98.33	N/A	116,666	76,403
<u>ALL</u>	<u>79</u>	<u>94.83</u>	<u>91.07</u>	<u>75.80</u>	<u>15.52</u>	<u>120.15</u>	<u>40.86</u>	<u>162.33</u>	<u>91.77 to 97.07</u>	<u>231,845</u>	<u>175,731</u>

PROPERTY TYPE *

RANGE	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
02											
03	79	94.83	91.07	75.80	15.52	120.15	40.86	162.33	91.77 to 97.07	231,845	175,731
04											
<u>ALL</u>	<u>79</u>	<u>94.83</u>	<u>91.07</u>	<u>75.80</u>	<u>15.52</u>	<u>120.15</u>	<u>40.86</u>	<u>162.33</u>	<u>91.77 to 97.07</u>	<u>231,845</u>	<u>175,731</u>

SALE PRICE *

RANGE	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
<u>Low \$</u>											
1 TO 4999	5	96.15	88.76	90.97	10.88	97.58	66.44	103.73	N/A	2,880	2,620
5000 TO 9999	2	125.26	125.26	128.63	24.23	97.38	94.90	155.61	N/A	8,100	10,419
<u>Total \$</u>											
1 TO 9999	7	96.15	99.19	110.90	16.79	89.43	66.44	155.61	66.44 to 155.61	4,371	4,848
10000 TO 29999	9	92.09	83.94	86.66	17.50	96.86	49.98	110.00	62.50 to 102.22	18,388	15,935
30000 TO 59999	16	97.95	97.96	98.25	18.17	99.70	43.33	162.33	80.00 to 112.00	40,550	39,841
60000 TO 99999	16	94.62	92.15	91.33	9.45	100.89	62.86	115.83	86.40 to 99.85	69,437	63,420
100000 TO 149999	10	92.64	84.52	86.16	19.01	98.10	40.86	116.08	40.86 to 104.69	117,400	101,147
150000 TO 249999	10	97.50	94.49	94.67	8.94	99.81	66.38	107.20	74.79 to 107.20	173,700	164,444
250000 TO 499999	3	104.31	103.20	103.74	5.94	99.47	93.34	111.94	N/A	313,865	325,612
500000 +	8	72.70	75.40	67.32	22.62	111.99	49.68	99.49	49.68 to 99.49	1,563,412	1,052,560
<u>ALL</u>	<u>79</u>	<u>94.83</u>	<u>91.07</u>	<u>75.80</u>	<u>15.52</u>	<u>120.15</u>	<u>40.86</u>	<u>162.33</u>	<u>91.77 to 97.07</u>	<u>231,845</u>	<u>175,731</u>

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OCCUPANCY CODE

RANGE	COUNT	MEDIAN	MEAN	WGT. MEAN	COD	PRD	MIN	MAX	95% Median C.I.	Avg. Adj. Sale Price	Avg. Assd Val
(blank)	12	93.50	91.23	90.73	17.19	100.56	49.98	155.61	73.40 to 97.16	15,808	14,342
140	1	98.68	98.68	98.68			98.68	98.68	N/A	38,000	37,500
303	1	60.26	60.26	60.26			60.26	60.26	N/A	1,540,000	928,000
325	7	72.22	74.38	76.87	20.43	96.76	43.33	100.00	43.33 to 100.00	93,214	71,653
326	2	94.17	94.17	93.47	0.88	100.74	93.34	95.00	N/A	153,297	143,293
339	1	90.00	90.00	90.00			90.00	90.00	N/A	63,000	56,700
343	5	95.81	95.13	90.35	7.97	105.28	80.30	111.94	N/A	776,960	702,008
344	10	98.54	98.31	100.48	9.77	97.84	73.28	131.11	87.62 to 104.43	93,900	94,348
347	1	98.01	98.01	98.01			98.01	98.01	N/A	70,000	68,610
349	3	96.67	101.11	97.80	5.98	103.39	94.67	112.00	N/A	115,000	112,468
350	2	95.50	95.50	95.50	16.23	100.00	80.00	111.00	N/A	45,000	42,975
352	4	105.95	92.19	55.04	14.17	167.50	49.68	107.20	N/A	1,418,750	780,888
353	9	102.22	106.75	101.62	15.41	105.04	78.60	162.33	86.40 to 115.83	53,366	54,233
355	1	69.44	69.44	69.44			69.44	69.44	N/A	36,000	25,000
384	1	93.14	93.14	93.14			93.14	93.14	N/A	70,000	65,200
386	1	98.89	98.89	98.89			98.89	98.89	N/A	225,000	222,500
406	6	94.11	91.24	96.88	9.32	94.17	66.44	108.33	66.44 to 108.33	41,650	40,351
407	1	85.71	85.71	85.71			85.71	85.71	N/A	105,000	90,000
408	1	116.08	116.08	116.08			116.08	116.08	N/A	121,000	140,454
410	2	67.79	67.79	63.85	10.33	106.16	60.79	74.79	N/A	486,500	310,650
412	1	99.49	99.49	99.49			99.49	99.49	N/A	1,125,000	1,119,300
419	1	65.10	65.10	65.10			65.10	65.10	N/A	500,000	325,500
421	1	78.93	78.93	78.93			78.93	78.93	N/A	75,000	59,199
437	1	94.83	94.83	94.83			94.83	94.83	N/A	60,000	56,900
470	2	40.86	40.86	40.86	0.00	100.01	40.86	40.86	N/A	100,000	40,855
471	1	96.37	96.37	96.37			96.37	96.37	N/A	152,000	146,489
493	1	98.33	98.33	98.33			98.33	98.33	N/A	150,000	147,500
<u>ALL</u>	<u>79</u>	<u>94.83</u>	<u>91.07</u>	<u>75.80</u>	<u>15.52</u>	<u>120.15</u>	<u>40.86</u>	<u>162.33</u>	<u>91.77 to 97.07</u>	<u>231,845</u>	<u>175,731</u>

**2010 Correlation Section
for Dawson County**

Commerical Real Property

I. Correlation

The level of value for the commercial real property in Dawson County, as determined by the PTA is 100%. The mathematically calculated median is 95%.

COMMERCIAL:In determining the level of value for any class of property, the assessment actions must be correlated with the calculated statistics. For 2010, the Dawson County Assessor reported that only routine maintenance was completed in the commercial class. A review of the percent change in the county's abstract would support this statement, as the commercial properties in the abstract decreased by less than 1%. In reviewing the ratio study, it appears that the sold parcels increased by nearly 10%. The International Association of Assessing Officer's text Mass Appraisal of Real Property states that "If sold and unsold parcels are similarly appraised, they should experience similar changes in value over time." Clearly, there is a disparity in the movement of the population as compared to the sales file for 2010. In investigating the cause of this disparity, the assessor noted that there were some listing and coding errors present in the sales file that were corrected for 2010. It is unclear at this time whether these types of errors are also present in the unsold parcels.

In spite of the disparity between the change in the base and the change in the population, there is not sufficient information to determine that the County has not met the statutory level of value of 100% in the commercial class. The division will review the assessment practices employed in the county and if warranted develop a report under Neb. Rev. Stat. 77-1330. There will be no recommended adjustment in the commercial class of property.

**2010 Correlation Section
for Dawson County**

II. Analysis of Sales Verification

Neb. Rev. Stat. 77-1327(2) 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 (2007), 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 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.

COMMERCIAL: The sales verification process is conducted through a variety of means in the Dawson County Assessor's office. When a valuation grouping is scheduled for a physical review, the contract appraiser and his staff will attempt to verify all the sales that have occurred within the area. An attempt is made to speak to the new property owners during the review and a standard set of questions is asked regarding the sale. When permitted an interior inspection will be completed. The appraiser will also attempt to contact all of the sellers to complete the verification process.

For the areas that are not scheduled for physical review, the assessor, deputy assessor, or in-house appraiser will conduct the sales verification. They will rely upon their collective knowledge of the taxpayers and the market when determining whether sales are arms length transactions. Public records and other local government officials are often sources of sales information. Occasionally, the buyer or seller, an attorney, realtor, or other real estate professional is contacted to discover sale terms. The assessor notes that this is typically done when a sale comes in that does not appear to follow the current market trend for the valuation grouping. The in-house appraiser will typically conduct a drive by inspection of all sold parcels also.

A review of the non-qualified commercial sales indicates a variety of reasons why sales have been excluded from the sales file. Some of these reasons include foreclosure sales, substantially improved properties, combination sales, family sales, sales from exempt or centrally assessed entities, etc. From the review, it appears that all arms length transactions have been used for the measurement of the commercial class.

**2010 Correlation Section
for Dawson County**

III. Measure 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 in 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 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.

	Median	Wgt. Mean	Mean
R&O Statistics	95	76	91

**2010 Correlation Section
for Dawson County**

IV. 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 International Association of Assessing Officers recommended ratio study performance standards are as follows:

Single-family residences: a COD of 15 percent or less.

For newer and fairly homogeneous areas: a COD of 10 or less.

Income-producing property: a COD of 20 or less, or in larger urban jurisdictions, 15 or less.

Vacant land and other unimproved property, such as agricultural land: a COD of 20 or less.

Rural residential and seasonal properties: a COD of 20 or less.

Mass Appraisal of Real Property, International Association of Assessing Officers, (1999), p. 246.

In unusually homogeneous types of property low CODs can be anticipated; however, in all other cases CODs less than 5 percent may be indicative of non-representative samples or the selective reappraisal of sold parcels.

The PRD, also known as the index of regression, is a measurement of the relationship between the ratios of high-value and low-value properties to determine if the value of property has any influence on the assessment ratio. It is calculated by dividing the arithmetic mean ratio by the weighted mean ratio. The PRD provides an indicator of the degree to which high-value properties are over-assessed or under-assessed in relation to low-value properties. A PRD of 100 indicates there is no bias in the assessment of high-value properties in comparison to low-value properties. A PRD greater than 100 indicates the assessments are regressive, which means low-value properties tend to have a higher assessment ratio than high-value properties. The result is the owner of a low-value property pays a greater amount of tax in relation to value than the owner of a high-value property. Conversely, a PRD less than 100 indicates that high-value properties are over assessed in relation to low-value properties.

There is no range of acceptability stated in the Nebraska statutes for the PRD measure. The Standard of Ratio Studies, adopted by the International Association of Assessing Officers, July,

**2010 Correlation Section
for Dawson County**

2007, 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. 247.

The analysis in this section displays the calculated COD and PRD measures for Dawson County, which are considered as one part of the analysis of the County's assessment practices.

	COD	PRD
R&O Statistics	15.52	120.15

COMMERCIAL: The COD meets the IAAO standard for the commercial class. The PRD is well above the standard. A review of the qualified commercial sales reveals that one high dollar sale is having an extreme impact on the PRD. Sale 2007-52 is the sale of an assisted living facility that sold for over \$5 million dollars. The removal of this sale reduces the PRD to 106.53%. An additional four sales with selling prices of more than \$1 million dollars are also impacting the PRD. The temporary removal of these sales results in a PRD of 103.88, which is only slightly above the standard.

**Agricultural or Special
Valuation Reports**

2010 Assessment Actions for Dawson County

taken to address the following property classes/subclasses:

Agricultural

The three year plan indicated that all farm home sites would be reviewed for 2010. While the entire county could not be completed for this year, the work was completed in ranges 23, 24, and 25. A new valuation model was established for these properties. The remainder of the rural parcels will be reviewed for 2011.

The soil conversion was completed and implemented for 2010. A new GIS system was also implemented to help complete the soil conversion. The GIS system is an in-house product and is the combined effort of the county surveyor and the assessor. The assessor noted that in order to complete the soil conversion on time, most of the staff was dedicated to the project, which limited the time available to complete other work this year.

A sales study was completed for the agricultural land. The study indicated a need to combine market areas 1 and 3, as the sales no longer seemed to be indicating a difference in the market. Due to completion of the soil conversion, the assessor did not have time to complete the necessary clerical work required in combining the market areas. For 2010, the areas were valued the same, but the boundary lines surrounding market area 3 are still in place. The assessor will review the area again for 2011, and will most likely dissolve area 3 into area 1.

The following adjustments to value were made as a result of the sales study.

- In market area 1, irrigated and dry land received an approximate 13% increase. Grass land was increased approximately 6%. The parcels in market area 3 received slightly higher percentage increases for irrigated and dry land as the 2009 values were lower in area 3 than in area 1. The grassland in area 3 received no change for 2010.
- In market area 2, irrigated and dry land received a 7% increase, approximately. Grass land received a 17% increase.

2010 Assessment Survey for Dawson County County

Agricultural Appraisal Information

1.	<p>Valuation data collection done by:</p> <p>The data collection for the agricultural improvements is done by the office appraiser and the assessor. Land use is completed by the assessor and the deputy assessor with the appraiser assisting when necessary.</p>
2.	<p>Does the County maintain more than one market area / valuation grouping in the agricultural property class?</p> <p>Yes, the Dawson County Assessor recognizes three different market areas.</p>
a.	<p>What is the process used to determine and monitor market areas / valuation groupings? (Neb. Rev. Stat. § 77-1363) List or describe. Class or subclass includes, but not limited to, the classifications of agricultural land listed in section 77-1363, parcel use, parcel type, location, geographic characteristics, zoning, city size, parcel size and market characteristics.</p> <p>The market areas were originally developed by establishing areas of different geographic and topographic makeup. The assessor notes that the market area lines were drawn along school district lines, because the boundaries seemed to follow the geographic and topographic patterns identified in the market areas.</p>
b.	<p>Describe the specific characteristics of the market area / valuation groupings that make them unique?</p> <p>Market area 1 is the Platte River Valley. This area is flat, with rich farmland and good irrigation potential. Well depths are shallow, as the area benefits from the Platte River for both surface and subsurface irrigation.</p> <p>Market areas 2 and 3 have some similarities; both are hilly areas with rougher terrain. Market area 2 is in the southwestern corner of Dawson County. The hills in this area are larger and steeper than the hills found in market area 3. The primary activity is grazing, with few areas used for either irrigated or dry land farming. Market area 2 has the deepest well depths, and is generally drier than market area 3.</p> <p>Market area 3 is also a hilly area, but the terrain is less rough than it is in market area 2. Grazing is still the primary agricultural activity found in market area 3; however, you will find that more land has been developed into both irrigated and dry crop land. Water is more accessible in market area 3 than it is in market area 2, but it is still less accessible than in market area 1.</p> <p>For 2010, the sales seemed to be indicating that the market no longer recognizes a difference between areas 3 and 1. While there are physical differences in the areas, the assessor found it necessary to combine them for valuation purposes. Due to the completion of the soil conversion, the assessor did not have the time to complete the clerical work necessary for combining the two market areas. For 2010, the boundary lines will remain in place; the assessor will study the market areas again for next year, and will most likely dissolve the boundary between areas 1 and 3. Statistics will not appear in the R&O for this market area, it has been combined with</p>

	area 1 for measurement purposes.
3.	Agricultural Land
a.	How is agricultural land defined in this county?
	<p>Dawson County Policy Defining Agricultural and Horticultural Land Use:</p> <p>Background –</p> <p>The change in dealing with agricultural and horticultural parcel definition was initiated in LB 407 in 2005, which came out of the Nebraska Legislature’s Revenue Committee and was eventually amended into LB 808 in the 2006 session. The statute was amended again in LB 777 during the 2008 session.</p> <p>Shaping the criteria of “use” as it relates to the definition of parcel for the entire state became problematic. What terms may work well in an Eastern Nebraska county could be totally unsuitable to Dawson County.</p> <p>The discussion between the Dawson County Board of Commissioners and the County Assessor on this matter included:</p> <ol style="list-style-type: none"> 1) Consideration on the basis of size of the parcel and its vicinity to currently active commercial agricultural business, 2) Whether the owner is directly involved in agricultural or horticultural ongoing business concerns, 3) The sale price and motivation behind the sale, and 4) The degree of what may be considered an agricultural use. <p>To be constructive, the guidelines within Dawson County offer flexibility. A routine review process is included as part of the policy. Annual examination of the use of all the agricultural property within the county would be impractical, but examination of perhaps a third of the county each year may be feasible. Certainly, any unusual market activity that would prompt a full review is possible.</p> <p>The Use Test –</p> <ul style="list-style-type: none"> • Is the applicable income generated directly from commercial agricultural production, as opposed to income incidental to the use of the parcel? • What are zoning regulations as they pertain to parcel size? <ul style="list-style-type: none"> ○ The number of acres most often used to define nonagricultural status within Dawson County zoning regulations is 20 or less. ○ Dawson County’s policy is to review all sales of 20 acres or less. If the parcel’s owner has no other interest in a going agricultural concern that is contiguous to the smaller parcel, the question arises whether commercial agriculture is the primary purpose, or highest and best use of the land. ○ If in the assessor’s opinion the parcel, in line with generally accepted appraisal practices, is more likely to appear on the market as

residential development or was purchased for that reason, the parcel is then defined as rural residential site.

- Practices that constitute commercial farming or ranching are determined under a county survey form entitled: "Status of Land Conforming to An Agricultural or Horticultural Use." Many of the entries on this survey help define what use the parcel conforms to.

Final determination of whether a parcel conforms to a commercial agricultural use will follow inspection of the property, and completion of the county's survey form. Appeal of this decision would occur through the normal course of valuation protests administered within the authority of the county board of equalization.

Statutory references: Neb. Rev. Stat. §77-1359 and the Department of Revenue, Property Assessment Division Directive 08-04.

In DAWSON COUNTY
STATUS OF LAND CONFORMING TO AN
AGRICULTURAL OR HORTICULTURAL USE

Owner: _____

Legal Description: _____

Date of inquiry: _____ Assessor's verification: _____

- | | |
|--|---|
| <ul style="list-style-type: none"> <input type="checkbox"/> The property is primarily used for the production of agricultural or horticultural product(s). <input type="checkbox"/> There are growing crops. <input type="checkbox"/> Type of crop (s) _____ <input type="checkbox"/> Number of acres _____ <input type="checkbox"/> Length and time of year of growing season _____ <input type="checkbox"/> There is grazing, feeding, or breeding of livestock. <input type="checkbox"/> Type of livestock _____ <input type="checkbox"/> Number of head _____ <input type="checkbox"/> Length and time of year of grazing season _____ <input type="checkbox"/> Horticultural use _____ <input type="checkbox"/> Type of product produced _____ <input type="checkbox"/> Length of season and time of year for the product _____ | <ul style="list-style-type: none"> <input type="checkbox"/> The market sale of the parcel indicates it is derived from <u>non-</u>agricultural influence. <input type="checkbox"/> Intended highest and best use _____ <input type="checkbox"/> The market sale of the parcel indicates it is derived from agricultural influence. <input type="checkbox"/> The land is enrolled in a state or federal government program that pays the landowner. <input type="checkbox"/> Conservation Reserve Program <input type="checkbox"/> Wetlands Reserve Program <input type="checkbox"/> Other _____ <input type="checkbox"/> Number of acres in the parcel _____ <input type="checkbox"/> The majority of income generated on the parcel comes from the sale of crops or livestock or a horticultural product. |
|--|---|

If the property meets the definition as an agricultural or horticultural parcel it will be assessed at up to 75% of the uninfluenced

agricultural market value, except land classified as building site will not be assessed as an agricultural or horticultural parcel.

If the owner believes the property qualifies for special valuation he or she must apply for that designation on forms prescribed by the Department of Property Assessment and Taxation. That valuation level is up to 75% of the agricultural market value as determined by uninfluenced agricultural sales.

b.	When is it agricultural land, when is it residential, when is it recreational?
	Land is classified agricultural, residential or recreational based on the primary use of the parcel as identified in statute. The use test identified in section a above, is used by the assessor and staff to help determine what the primary use is.
c.	Are these definitions in writing?
	Yes, see section a.
d.	What are the recognized differences?
	Differences are recognized based on primary use.
e.	How are rural home sites valued?
	Using local market information.
f.	Are rural home sites valued the same as rural residential home sites?
	Yes, rural home sites are valued using the same methods as the rural residential home sites.
g.	Are all rural home sites valued the same or are market differences recognized?
	Market differences are recognized; there are three different home site values used within the county.
h.	What are the recognized differences?
	Location and access to the parcel are the primary differences. Those parcels within a certain number of miles from Highway 30 are valued the highest at \$15,000 for the first acre. As you move further away from the highway the value falls to \$10,000 or \$5,000 for the most remote portions of the county.
4.	What is the status of the soil conversion from the alpha to numeric notation?
	The soil conversion was completed and implemented for 2010.
a.	Are land capability groupings (LCG) used to determine assessed value?
	Primarily land use is considered when determining assessed value, however, the assessor recognizes a hierarchy of values based on the different LCG's.
b.	What other land characteristics or analysis are/is used to determine assessed values?
	n/a
5.	Is land use updated annually?
	Yes
a.	By what method? (Physical inspection, FSA maps, etc.)
	Land use is completed through normal discovery including pickup work, re-appraisal work, requested inspections, property protests, etc. The assessor's office is in the process of implementing GIS software and is looking forward to using the GIS to help complete the land use study annually.
6.	Is there agricultural land in the County that has a non-agricultural influence?
	Yes
a.	How is the County developing the value for non-agricultural influences?
	By comparing sales of uninfluenced land to sales of influenced land to derive a value for the influence.
b.	Has the County received applications for special valuation?
	Yes
c.	Describe special value methodology
	Sales of uninfluenced land are compared to sales of influenced land to derive a

	value for the influence.
7	Pickup work:
a.	Is pickup work done annually and is it completed by March 19th?
	Yes
b.	By Whom?
	The office appraiser and the assessor
c.	Is the valuation process (cost date and depreciation schedule or market comparison) used for the pickup work on the rural improvements the same as what was used for the general population of the valuation group?
	Yes
d.	Is the pickup work schedule the same for the land as for the improvements?
	Yes
8.	What is the counties progress with the 6 year inspection and review requirement as it relates to rural improvements? (Neb. Rev. Stat. § 77-1311.03)
	The western half of the county is being reviewed for 2010; the eastern half of the county will be reviewed for 2011.
a.	Does the County maintain a tracking process?
	The assessor keeps a log of review work, and an attempt is made to note the date of the physical review on each property record card. The assessor documents his intentions for the current years review work in the three year plan.
b.	How are the results of the portion of the properties inspected and reviewed applied to the balance of the county?
	The assessor notes that physical review does not necessarily result in a change in valuation. The assessor ensures that properties are equalized across the county by using the same costing and depreciation tables.

Proportionality Among Study Years

The following tables represent the distribution of sales among each year of the study period in the original sales file, the sales that were added to each area, and the resulting proportionality.

Preliminary Results:

Study Year	County	Area 1	Area 2
07/01/06 - 06/30/07	59	58	1
07/01/07 - 06/30/08	57	55	2
07/01/08 - 06/30/09	31	31	0
Totals	147	144	3

Added Sales:

Study Year	Total	Mkt 1	Mkt 2
7/1/06 - 6/30/07	2	0	2
7/1/07 - 6/30/08	1	0	1
7/1/08 - 6/30/09	16	14	2
	19	14	5

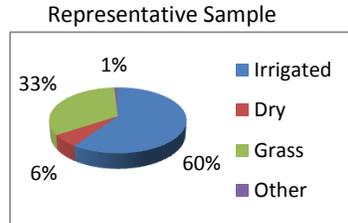
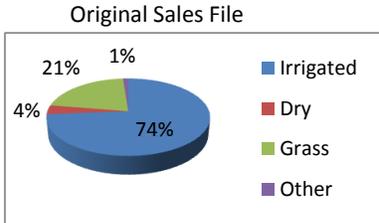
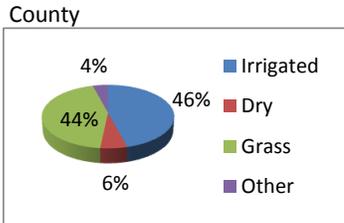
Final Results:

Study Year	County	Area 1	Area 2
07/01/06 - 06/30/07	61	58	3
07/01/07 - 06/30/08	58	55	3
07/01/08 - 06/30/09	47	45	2
Totals	166	158	8

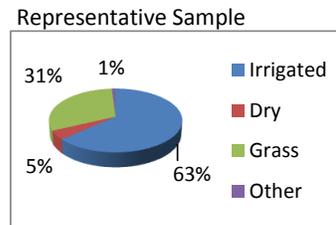
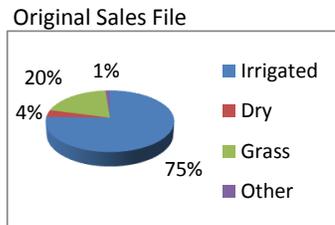
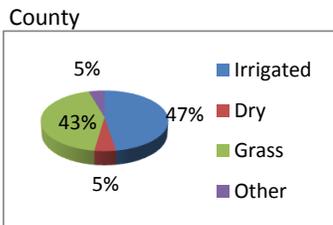
Representativeness by Majority Land Use

The following tables and charts compare the makeup of land use in the population to the make up of land use in both the sales file and the representative sample.

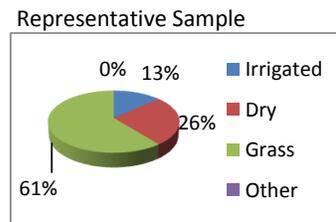
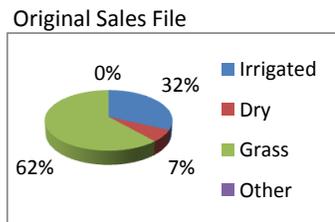
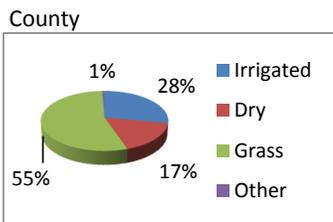
	Entire County		
	county	sales file	Sample
Irrigated	46%	74%	60%
Dry	6%	4%	6%
Grass	44%	21%	33%
Other	4%	1%	1%



	Mkt Area 1		
	county	sales file	sample
Irrigated	47%	75%	63%
Dry	5%	4%	5%
Grass	43%	20%	31%
Other	5%	1%	1%



	Mkt Area 2		
	county	sales file	sample
Irrigated	28%	32%	13%
Dry	17%	7%	26%
Grass	55%	62%	61%
Other	1%	0%	0%



Adequacy of Sample

	County Total	Mrkt Area 1	Mrkt Area 2
Number of Sales - Original Sales File	147	144	3
Number of Sales - Expanded Sample	166	158	8
Total Number of Acres Added	5254	4164	1090

Ratio Study

Final Statistics

County	# sales	Median	72%	AAD	18.82%
	166	Mean	76%	COD	26.01%
		W. Mean	70%	PRD	109.12%

Preliminary Statistics

Median	63%	AAD	15.73%
Mean	66%	COD	25.08%
W. Mean	60%	PRD	108.59%

Market Area 1	# sales	Median	72%	AAD	18.84%
	158	Mean	76%	COD	26.04%
		W. Mean	70%	PRD	109.14%

Median	63%	AAD	15.75%
Mean	66%	COD	25.10%
W. Mean	60%	PRD	108.59%

Market Area 2	# sales	Median	72%	AAD	18.40%
	8	Mean	77%	COD	25.42%
		W. Mean	71%	PRD	108.10%

Median	65%	AAD	15.47%
Mean	68%	COD	23.81%
W. Mean	64%	PRD	106.47%

Majority Land Use

95% MLU	Irrigated		Dry		Grass	
	# Sales	Median	#	Median	# Sales	Median
County	94	70.18%	7	45.26%	19	72.18%
Mkt Area 1	93	70.29%	6	47.61%	16	73.90%
Mkt Area 2	1	53.75%	1	45.26%	3	67.49%

80% MLU	Irrigated		Dry		Grass	
	# Sales	Median	#	Median	# Sales	Median
County	115	71.59%	7	45.26%	22	70.96%
Mkt Area 1	114	71.67%	6	47.61%	18	70.96%
Mkt Area 2	1	53.75%	1	45.26%	4	78.66%

Dawson County Assessor's Office

John Phillip Moore, Assessor

Joyce Reil, Deputy

March 3, 2010

TO: Department of Revenue, Property Assessment Division
Ruth A. Sorensen Administrator
SUBJECT: Designation of special value

Dear Ruth:

This letter is in response to your request concerning an explanation of how this county arrives at valuations involving properties that receive special valuation, or greenbelt.

Dawson County has two areas designated for special valuation consideration. Eight properties are in one group abutting a strip of Highway 283 going south out of Lexington to Interstate 80. The boundaries for this corridor end at the section lines of Section 17 Township 9N Range 21W and generally serve as a buffer zone to commercial property in the area. These parcels have received the special value for many years.

Beginning in 2000 a second group of properties received designation as special value parcels. They have these attributes in common:

- They are located within the first section line abutting within one mile of the Platte River;
- They are situated generally south of Interstate 80;
- They most likely include some acres of accretion.

Parcels relating to commercial areas

The eight parcels located along Highway 283 are all agricultural properties abutting commercial development. Agricultural/horticultural valuations are established according to markets in terms of use of similar uninfluenced land sales within the same vicinity and throughout the county. This then is the methodology for determining special valuation of agricultural land uninfluenced by commercial interest. Basically, it is a matter of comparing the agricultural/horticultural use to establish *normal* value in those uninfluenced acres with the market sales within the boundaries established for special value. This property all lies within the same market area and carries the same values per subclass.

For these eight properties, market value is established using sales along this highway as though it were a neighborhood unto itself. There has been insufficient enough sales activity for the last several years to enable the county conduct a detailed market study, but some representative sales have indicated the current figures are appropriate. This is particularly the case with land values.

Recreational, river parcels

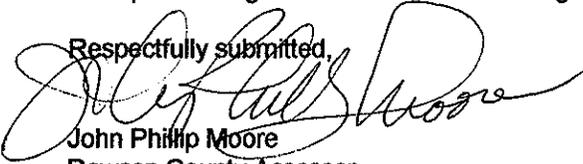
For the agricultural and recreational type properties along the Platte River, considerable uninfluenced agricultural sales information is available from activity well away from this proximity within Dawson County. Those market sales were used as a basis for establishing special values for these particular properties. Irrigated parcels appear to have no influence on the sales along the river, so none of the irrigated acres show a difference between the market value and the special value.

Market sales occurring along the river, as well as some documented leasing information, and anecdotal information helped the county to arrive at a market value for the acres influenced by other than agricultural/horticultural uses. There was cursive attention given to the income approach; more data is needed to make a case for both special and actual market values based solely on the income approach.

It has been difficult at best to decipher the sales in terms of the number of acres involved as to accretion compared to agricultural and horticultural practices. And as in the past, in many cases surveys have not been conducted or have not been filed. Sales of most of the accretion and mixed production ground along the river from east to west in Dawson County have remained static for several years, with only a handful of sales occurring within a three-year period. Since NPPD purchased a huge holding along the eastern border of the county at about \$1,000 an acre, to sales in more recent years exceeding \$3,000 an acre, the market along this corridor has been unpredictable and very hard to pin down.

A map indicating the boundaries of the designated greenbelt properties is enclosed.

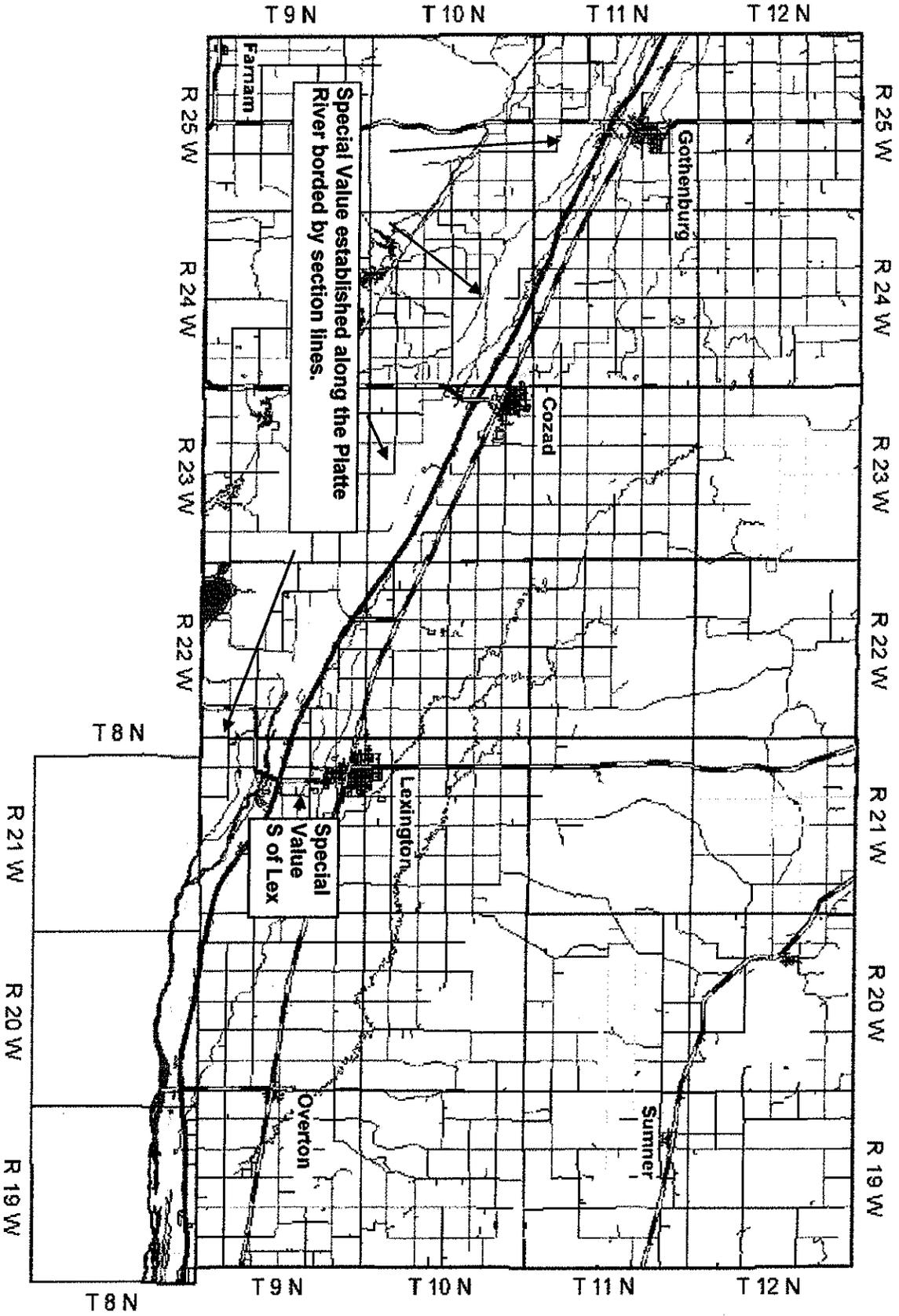
Respectfully submitted,



John Phillip Moore
Dawson County Assessor

Encl.

DAWSON COUNTY



**Agricultural or Special
Valuation Correlation**

2010 Correlation Section

For Dawson County

Agricultural Land

I. Correlation

The level of value for the agricultural land in Dawson County, as determined by the PTA is 72%. The mathematically calculated median is 72%.

AGRICULTURAL LAND:

Dawson County recognizes three market areas; however, for 2010 two of the market areas (area 1 and 3) were valued the same and have therefore been grouped together for measurement purposes. After discussing the market area characteristics with the assessor and analyzing the agricultural land in the area, it appears that the market area lines are appropriately drawn.

An analysis of the agricultural sales file was conducted. The distribution of sales among the three years of the study period was considered. Market area one contained more sales in the first and second years of the study period than it had in the third year; because Dawson County has experienced a rapidly increasing agricultural market, it is probable that measurements produced from this sample would be skewed toward the oldest time period.

Further analysis was conducted to determine if the samples were representative of the population and adequate for measurement. In market area one the portion of irrigated, dry and grass lands was not similar to the portion found in the county, indicating that the sample was not representative of the population. Market area two was reasonably representative of the population. Upon analyzing the sample for adequacy, it was determined that the sample in area one was adequate; but that the area two sample was too small for use in a reliable ratio study. After completing the analysis the market area one sample was expanded to remove any possible time skew and to make the sample more representative of the population. The area two sample was expanded to make it more reliable statistically.

After reviewing the land characteristics in and around the county with the assessor, it was determined that Dawson County was comparable to uninfluenced agricultural land in all adjoining counties. These areas are comparable because they contain similar topography, soil content, irrigation potential and distribution of land use. A list of sales was developed for use in the expansion of the sales file. In market area one sales were chosen that would improve both the proportionality and the representation of the sample. Because an excess of comparable sales existed, sales were given priority for inclusion based on their proximity to Dawson County. In market area two, all comparable sales that could be added to the sample without compromising proportionality or representation were used. The addition of these sales corrects any possible time skew that may have existed in the sample. The sample in market area one still contains an excessive portion of irrigated land, the sample in market area two is also slightly unrepresentative of the population; because the assessor attempts to equalize all subclasses of agricultural land, this is not a significant concern. The sample can still be used to produce a reliable measure of the value of agricultural land in the county.

2010 Correlation Section

For Dawson County

The median and weighted mean are similar and within the statutorily required range. The mean is slightly high, but is most affected by outliers. The values that the assessor has established are reasonably comparable to the surrounding counties. The qualitative statistics are above the acceptable range, but based on the systematical approach the assessor uses to assign agricultural land values, it is believed that assessments are uniform and proportionate in the agricultural class.

There is no information that suggests that a non-binding recommendation is necessary.

SPECIAL VALUATION:

A review of the agricultural land values in Dawson County in areas that have other non-agricultural influences indicates that the values used are similar to other areas in the County where there are no non-agricultural influences. Therefore, it is the opinion of the Property Tax Administrator that the level of value for special valuation of agricultural land in Dawson County is 72%.

2010 Correlation Section

For Dawson County

II. Analysis of Sales Verification

Neb. Rev. Stat. 77-1327(2) 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 (2007), 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 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.

AGRICULTURAL LAND:

The assessor, deputy assessor or in-house appraiser will conduct the sales verification. They rely upon their collective knowledge of the taxpayers and the market when determining whether sales are arms length transactions. Public records and other local government officials are often sources of sales information. Occasionally the buyer or seller, an attorney, realtor, or other professional involved in the sale is contacted to discover terms of the sale. The assessor notes that this is typically done when a sale comes in that does not appear to follow the current market trend for that area.

A review of the non-qualified agricultural sales reveals a variety of reason for disqualifying sales. The majority of the sales excluded were family sales, use changes, substantially changed properties, combination sales and estate clearings. The few remaining non-qualified sales were excluded for reasons such as contract sales, land exchanges, foreclosures, etc. From the review, it appears that all arms length sales have been used in the measurement of the agricultural class.

2010 Correlation Section

For Dawson County

III. 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 in 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 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.

	Median	Wgt.Mean	Mean
R&O Statistics	72	70	76

2010 Correlation Section

For Dawson County

IV. 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 International Association of Assessing Officers recommended ratio study performance standards are as follows:

Single-family residences: a COD of 15 percent or less.

For newer and fairly homogeneous areas: a COD of 10 or less.

Income-producing property: a COD of 20 or less, or in larger urban jurisdictions, 15 or less.
Vacant land and other unimproved property, such as agricultural land: a COD of 20 or less.

Rural residential and seasonal properties: a COD of 20 or less.

Mass Appraisal of Real Property, International Association of Assessing Officers, (1999), p. 246.

In unusually homogeneous types of property low CODs can be anticipated; however, in all other cases CODs less than 5 percent may be indicative of non-representative samples or the selective reappraisal of sold parcels.

The PRD, also known as the index of regression, is a measurement of the relationship between the ratios of high-value and low-value properties to determine if the value of property has any influence on the assessment ratio. It is calculated by dividing the arithmetic mean ratio by the weighted mean ratio. The PRD provides an indicator of the degree to which high-value properties are over-assessed or under-assessed in relation to low-value properties. A PRD of 100 indicates there is no bias in the assessment of high-value properties in comparison to low-value properties. A PRD greater than 100 indicates the assessments are regressive, which means low-value properties tend to have a higher assessment ratio than high-value properties. The result is the owner of a low-value property pays a greater amount of tax in relation to value than the owner of a high-value property. Conversely, a PRD less than 100 indicates that high-value properties are over assessed in relation to low-value properties.

2010 Correlation Section

For Dawson County

There is no range of acceptability stated in the Nebraska statutes for the PRD measure. The Standard of Ratio Studies, adopted by the International Association of Assessing Officers, July, 2007, 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. 247.

The analysis in this section displays the calculated COD and PRD measures for Dawson County, which are considered as one part of the analysis of the County's assessment practices.

	COD	PRD
R&O Statistics	26.01	109.12

AGRICULTURAL LAND:

Both qualitative measures are well above the acceptable standard. The coefficient of dispersion measures how closely ratios are clustered around the median. Dawson County has experienced a rapidly increasing agricultural market in the past few years, making it reasonable that the COD is high. If ratios were calculated for each individual year of the study period, it would reveal a steady decrease in the median each year, which explains the dispersion in the sales file and the high COD. The PRD is similarly affected by the increasing market; the mean (which is affected by outliers) is used to calculate the PRD.

Total Real Property Sum Lines 17, 25, & 30	Records : 14,763	Value : 1,564,930,909	Growth 20,834,766	Sum Lines 17, 25, & 41
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Schedule I : Non-Agricultural Records

	Urban		SubUrban		Rural		Total		Growth
	Records	Value	Records	Value	Records	Value	Records	Value	
01. Res UnImp Land	687	3,098,858	60	612,184	121	1,400,112	868	5,111,154	
02. Res Improve Land	5,712	43,974,164	171	1,904,198	1,027	17,582,051	6,910	63,460,413	
03. Res Improvements	6,482	372,268,484	174	15,431,710	1,073	106,409,068	7,729	494,109,262	
04. Res Total	7,169	419,341,506	234	17,948,092	1,194	125,391,231	8,597	562,680,829	5,445,100
% of Res Total	83.39	74.53	2.72	3.19	13.89	22.28	58.23	35.96	26.13
05. Com UnImp Land	141	2,579,575	7	289,781	22	203,077	170	3,072,433	
06. Com Improve Land	833	18,176,359	37	1,012,942	107	1,948,892	977	21,138,193	
07. Com Improvements	834	99,420,953	37	6,751,408	107	17,089,962	978	123,262,323	
08. Com Total	975	120,176,887	44	8,054,131	129	19,241,931	1,148	147,472,949	5,511,020
% of Com Total	84.93	81.49	3.83	5.46	11.24	13.05	7.78	9.42	26.45
09. Ind UnImp Land	4	185,085	1	254,196	0	0	5	439,281	
10. Ind Improve Land	8	372,422	5	1,118,616	1	57,486	14	1,548,524	
11. Ind Improvements	8	10,706,008	5	23,432,698	1	864,874	14	35,003,580	
12. Ind Total	12	11,263,515	6	24,805,510	1	922,360	19	36,991,385	0
% of Ind Total	63.16	30.45	31.58	67.06	5.26	2.49	0.13	2.36	0.00
13. Rec UnImp Land	0	0	0	0	58	1,004,964	58	1,004,964	
14. Rec Improve Land	0	0	0	0	522	18,010,560	522	18,010,560	
15. Rec Improvements	0	0	0	0	522	41,225,522	522	41,225,522	
16. Rec Total	0	0	0	0	580	60,241,046	580	60,241,046	257,357
% of Rec Total	0.00	0.00	0.00	0.00	100.00	100.00	3.93	3.85	1.24
Res & Rec Total	7,169	419,341,506	234	17,948,092	1,774	185,632,277	9,177	622,921,875	5,702,457
% of Res & Rec Total	78.12	67.32	2.55	2.88	19.33	29.80	62.16	39.81	27.37
Com & Ind Total	987	131,440,402	50	32,859,641	130	20,164,291	1,167	184,464,334	5,511,020
% of Com & Ind Total	84.58	71.26	4.28	17.81	11.14	10.93	7.90	11.79	26.45
17. Taxable Total	8,156	550,781,908	284	50,807,733	1,904	205,796,568	10,344	807,386,209	11,213,477
% of Taxable Total	78.85	68.22	2.75	6.29	18.41	25.49	70.07	51.59	53.82

Schedule II : Tax Increment Financing (TIF)

	Urban			SubUrban		
	Records	Value Base	Value Excess	Records	Value Base	Value Excess
18. Residential	119	2,937,237	6,220,896	0	0	0
19. Commercial	87	6,642,236	32,916,239	0	0	0
20. Industrial	2	147,205	31,046,222	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	119	2,937,237	6,220,896
19. Commercial	1	58,263	1,965,924	88	6,700,499	34,882,163
20. Industrial	0	0	0	2	147,205	31,046,222
21. Other	0	0	0	0	0	0
22. Total Sch II				209	9,784,941	72,149,281

Schedule III : Mineral Interest Records

Mineral Interest	Records	Urban Value	Records	SubUrban Value	Records	Rural Value	Records	Total Value	Growth
23. Producing	0	0	0	0	0	0	0	0	0
24. Non-Producing	0	0	0	0	1	4,257	1	4,257	0
25. Total	0	0	0	0	1	4,257	1	4,257	0

Schedule IV : Exempt Records : Non-Agricultural

	Urban Records	SubUrban Records	Rural Records	Total Records
26. Producing	1,423	5	25	1,453

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	0	0	0	0	3,278	470,098,596	3,278	470,098,596
28. Ag-Improved Land	0	0	0	0	1,140	192,427,092	1,140	192,427,092
29. Ag Improvements	0	0	0	0	1,140	95,014,755	1,140	95,014,755
30. Ag Total							4,418	757,540,443

Schedule VI : Agricultural Records :Non-Agricultural Detail

	Urban			SubUrban			Growth
	Records	Acres	Value	Records	Acres	Value	
31. HomeSite UnImp Land	0	0.00	0	0	0.00	0	
32. HomeSite Improv Land	0	0.00	0	0	0.00	0	
33. HomeSite Improvements	0	0.00	0	0	0.00	0	
34. HomeSite Total							
35. FarmSite UnImp Land	0	0.00	0	0	0.00	0	
36. FarmSite Improv Land	0	0.00	0	0	0.00	0	
37. FarmSite Improvements	0	0.00	0	0	0.00	0	
38. FarmSite Total							
39. Road & Ditches	0	0.00	0	0	0.00	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
	Records	Acres	Value	Records	Acres	Value	Growth
31. HomeSite UnImp Land	106	340.88	353,121	106	340.88	353,121	
32. HomeSite Improv Land	161	674.73	726,775	161	674.73	726,775	
33. HomeSite Improvements	724	0.00	59,998,581	724	0.00	59,998,581	1,178,241
34. HomeSite Total				830	1,015.61	61,078,477	
35. FarmSite UnImp Land	73	206.12	826,603	73	206.12	826,603	
36. FarmSite Improv Land	890	2,861.93	10,388,695	890	2,861.93	10,388,695	
37. FarmSite Improvements	1,098	0.00	35,016,174	1,098	0.00	35,016,174	8,443,048
38. FarmSite Total				1,171	3,068.05	46,231,472	
39. Road & Ditches	3,331	8,793.46	0	3,331	8,793.46	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
41. Total Section VI				2,001	12,877.12	107,309,949	9,621,289

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

	Urban			SubUrban		
	Records	Acres	Value	Records	Acres	Value
42. Game & Parks	2	212.43	115,510	0	0.00	0
	Rural			Total		
	Records	Acres	Value	Records	Acres	Value
42. Game & Parks	0	0.00	0	2	212.43	115,510

Schedule VIII : Agricultural Records : Special Value

	Urban			SubUrban		
	Records	Acres	Value	Records	Acres	Value
43. Special Value	0	0.00	0	0	0.00	0
44. Recapture Value N/A	0	0.00	0	0	0.00	0
	Rural			Total		
	Records	Acres	Value	Records	Acres	Value
43. Special Value	227	33,390.42	22,319,998	227	33,390.42	22,319,998
44. Market Value	0	0	0	0	0	0

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

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 1

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	0.00	0.00%	0	0.00%	0.00
46. 1A	178,280.53	69.83%	341,436,339	74.55%	1,915.16
47. 2A1	15,364.17	6.02%	28,401,842	6.20%	1,848.58
48. 2A	17,359.12	6.80%	29,765,820	6.50%	1,714.71
49. 3A1	2,399.41	0.94%	3,731,084	0.81%	1,555.00
50. 3A	7,180.62	2.81%	9,358,353	2.04%	1,303.28
51. 4A1	27,428.95	10.74%	36,220,497	7.91%	1,320.52
52. 4A	7,277.89	2.85%	9,059,205	1.98%	1,244.76
53. Total	255,290.69	100.00%	457,973,140	100.00%	1,793.93
Dry					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	6,463.83	36.36%	6,269,926	44.14%	970.00
56. 2D1	1,389.43	7.82%	1,257,436	8.85%	905.00
57. 2D	1,267.04	7.13%	1,083,649	7.63%	855.26
58. 3D1	577.75	3.25%	456,424	3.21%	790.00
59. 3D	1,675.06	9.42%	1,231,099	8.67%	734.96
60. 4D1	3,862.63	21.73%	2,356,208	16.59%	610.00
61. 4D	2,539.42	14.29%	1,549,048	10.91%	610.00
62. Total	17,775.16	100.00%	14,203,790	100.00%	799.08
Grass					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	7,092.55	4.70%	4,078,276	6.33%	575.01
65. 2G1	4,853.02	3.22%	2,475,047	3.84%	510.00
66. 2G	3,248.34	2.15%	1,542,983	2.39%	475.01
67. 3G1	1,052.31	0.70%	473,550	0.73%	450.01
68. 3G	7,325.11	4.86%	3,039,932	4.71%	415.00
69. 4G1	15,478.19	10.26%	6,439,025	9.99%	416.01
70. 4G	111,759.16	74.11%	46,425,717	72.01%	415.41
71. Total	150,808.68	100.00%	64,474,530	100.00%	427.53
Irrigated Total					
	255,290.69	57.40%	457,973,140	84.41%	1,793.93
Dry Total					
	17,775.16	4.00%	14,203,790	2.62%	799.08
Grass Total					
	150,808.68	33.91%	64,474,530	11.88%	427.53
Waste					
	2,199.42	0.49%	76,989	0.01%	35.00
Other					
	18,659.86	4.20%	5,848,250	1.08%	313.41
Exempt					
	0.00	0.00%	777,232	0.14%	0.00
Market Area Total					
	444,733.81	100.00%	542,576,699	100.00%	1,220.00

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	11,326.48	80.68%	15,290,804	88.03%	1,350.00
47. 2A1	262.07	1.87%	342,001	1.97%	1,305.00
48. 2A	32.76	0.23%	36,855	0.21%	1,125.00
49. 3A1	1,504.70	10.72%	1,166,828	6.72%	775.46
50. 3A	0.00	0.00%	0	0.00%	0.00
51. 4A1	470.10	3.35%	275,009	1.58%	585.00
52. 4A	442.58	3.15%	258,912	1.49%	585.01
53. Total	14,038.69	100.00%	17,370,409	100.00%	1,237.32
Dry					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	3,196.82	35.36%	2,045,963	46.40%	640.00
56. 2D1	477.70	5.28%	286,620	6.50%	600.00
57. 2D	32.73	0.36%	16,365	0.37%	500.00
58. 3D1	1,623.45	17.96%	746,788	16.94%	460.00
59. 3D	0.00	0.00%	0	0.00%	0.00
60. 4D1	1,363.20	15.08%	504,384	11.44%	370.00
61. 4D	2,346.53	25.96%	809,555	18.36%	345.00
62. Total	9,040.43	100.00%	4,409,675	100.00%	487.77
Grass					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	1,732.90	7.00%	927,105	11.20%	535.00
65. 2G1	760.48	3.07%	357,424	4.32%	470.00
66. 2G	419.60	1.70%	167,840	2.03%	400.00
67. 3G1	1,757.49	7.10%	702,996	8.49%	400.00
68. 3G	0.00	0.00%	0	0.00%	0.00
69. 4G1	3,011.67	12.17%	918,564	11.10%	305.00
70. 4G	17,057.45	68.95%	5,202,521	62.86%	305.00
71. Total	24,739.59	100.00%	8,276,450	100.00%	334.54
Irrigated Total					
Irrigated Total	14,038.69	29.27%	17,370,409	57.78%	1,237.32
Dry Total					
Dry Total	9,040.43	18.85%	4,409,675	14.67%	487.77
Grass Total					
Grass Total	24,739.59	51.58%	8,276,450	27.53%	334.54
Waste					
Waste	148.20	0.31%	5,187	0.02%	35.00
Other					
Other	0.00	0.00%	0	0.00%	0.00
Exempt					
Exempt	0.00	0.00%	0	0.00%	0.00
Market Area Total					
Market Area Total	47,966.91	100.00%	30,061,721	100.00%	626.72

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 3

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	0.00	0.00%	0	0.00%	0.00
46. 1A	10,611.00	53.30%	20,373,121	60.25%	1,920.00
47. 2A1	2,070.23	10.40%	3,860,976	11.42%	1,865.00
48. 2A	483.23	2.43%	833,573	2.47%	1,725.00
49. 3A1	408.87	2.05%	635,793	1.88%	1,555.00
50. 3A	0.00	0.00%	0	0.00%	0.00
51. 4A1	2,678.50	13.46%	3,562,406	10.53%	1,330.00
52. 4A	3,654.89	18.36%	4,550,341	13.46%	1,245.00
53. Total	19,906.72	100.00%	33,816,210	100.00%	1,698.73
Dry					
54. 1D1	0.00	0.00%	0	0.00%	0.00
55. 1D	1,877.24	29.60%	1,820,925	36.85%	970.00
56. 2D1	1,006.15	15.87%	910,567	18.43%	905.00
57. 2D	358.29	5.65%	306,338	6.20%	855.00
58. 3D1	70.48	1.11%	55,679	1.13%	790.00
59. 3D	0.00	0.00%	0	0.00%	0.00
60. 4D1	1,202.58	18.96%	733,572	14.85%	610.00
61. 4D	1,826.86	28.81%	1,114,387	22.55%	610.00
62. Total	6,341.60	100.00%	4,941,468	100.00%	779.21
Grass					
63. 1G1	0.00	0.00%	0	0.00%	0.00
64. 1G	3,836.56	4.20%	2,206,033	5.68%	575.00
65. 2G1	2,521.63	2.76%	1,286,036	3.31%	510.00
66. 2G	640.99	0.70%	304,473	0.78%	475.00
67. 3G1	521.15	0.57%	234,522	0.60%	450.01
68. 3G	0.00	0.00%	0	0.00%	0.00
69. 4G1	13,325.25	14.58%	5,529,989	14.24%	415.00
70. 4G	70,521.99	77.18%	29,266,649	75.38%	415.00
71. Total	91,367.57	100.00%	38,827,702	100.00%	424.96
Irrigated Total					
Irrigated Total	19,906.72	16.90%	33,816,210	43.58%	1,698.73
Dry Total					
Dry Total	6,341.60	5.38%	4,941,468	6.37%	779.21
Grass Total					
Grass Total	91,367.57	77.56%	38,827,702	50.04%	424.96
Waste					
Waste	191.27	0.16%	6,694	0.01%	35.00
Other					
Other	0.00	0.00%	0	0.00%	0.00
Exempt					
Exempt	0.00	0.00%	0	0.00%	0.00
Market Area Total					
Market Area Total	117,807.16	100.00%	77,592,074	100.00%	658.64

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	0.00	0	0.00	0	289,236.10	509,159,759	289,236.10	509,159,759
77. Dry Land	0.00	0	0.00	0	33,157.19	23,554,933	33,157.19	23,554,933
78. Grass	0.00	0	0.00	0	266,915.84	111,578,682	266,915.84	111,578,682
79. Waste	0.00	0	0.00	0	2,538.89	88,870	2,538.89	88,870
80. Other	0.00	0	0.00	0	18,659.86	5,848,250	18,659.86	5,848,250
81. Exempt	0.00	777,232	0.00	0	0.00	0	0.00	777,232
82. Total	0.00	0	0.00	0	610,507.88	650,230,494	610,507.88	650,230,494

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	289,236.10	47.38%	509,159,759	78.30%	1,760.36
Dry Land	33,157.19	5.43%	23,554,933	3.62%	710.40
Grass	266,915.84	43.72%	111,578,682	17.16%	418.03
Waste	2,538.89	0.42%	88,870	0.01%	35.00
Other	18,659.86	3.06%	5,848,250	0.90%	313.41
Exempt	0.00	0.00%	777,232	0.12%	0.00
Total	610,507.88	100.00%	650,230,494	100.00%	1,065.06

2010 County Abstract of Assessment for Real Property, Form 45 Compared with the 2009 Certificate of Taxes Levied (CTL)

24 Dawson

	2009 CTL County Total	2010 Form 45 County Total	Value Difference (2010 form 45 - 2009 CTL)	Percent Change	2010 Growth (New Construction Value)	Percent Change excl. Growth
01. Residential	553,718,558	562,680,829	8,962,271	1.62%	5,445,100	0.64%
02. Recreational	59,612,298	60,241,046	628,748	1.05%	257,357	0.62%
03. Ag-Homesite Land, Ag-Res Dwelling	68,536,679	61,078,477	-7,458,202	-10.88%	1,178,241	-12.60%
04. Total Residential (sum lines 1-3)	681,867,535	684,000,352	2,132,817	0.31%	6,880,698	-0.70%
05. Commercial	142,122,069	147,472,949	5,350,880	3.76%	5,511,020	-0.11%
06. Industrial	36,991,385	36,991,385	0	0.00%	0	0.00%
07. Ag-Farmsite Land, Outbuildings	28,180,392	46,231,472	18,051,080	64.06%	8,443,048	34.09%
08. Minerals	4,257	4,257	0	0.00	0	0.00
09. Total Commercial (sum lines 5-8)	207,298,103	230,700,063	23,401,960	11.29%	13,954,068	4.56%
10. Total Non-Agland Real Property	889,165,638	914,700,415	25,534,777	2.87%	20,834,766	0.53%
11. Irrigated	433,391,281	509,159,759	75,768,478	17.48%		
12. Dryland	22,446,191	23,554,933	1,108,742	4.94%		
13. Grassland	107,052,181	111,578,682	4,526,501	4.23%		
14. Wasteland	207,363	88,870	-118,493	-57.14%		
15. Other Agland	6,395,792	5,848,250	-547,542	-8.56%		
16. Total Agricultural Land	569,492,808	650,230,494	80,737,686	14.18%		
17. Total Value of all Real Property (Locally Assessed)	1,458,658,446	1,564,930,909	106,272,463	7.29%	20,834,766	5.86%

ϕDawson County Assessor's Office

John Phillip Moore, Assessor

Joyce Reil, Deputy

July 30, 2009
(October 30, 2009)

To: Dawson County Board of Commissioners
(Copy for Ruth Sorenson, Property Tax Administrator with changes in *italics*)
Subject: Three-Year Plan of Assessment
From: John Phillip Moore, Dawson County Assessor

Dear County Board of Commissioners:

This report attempts to bring you as county commissioners into a discussion about the process of setting valuations each year, and develops a plan for a three-year period. The responsibility of establishing valuations remains with the assessor. However, it is helpful to draw on our collective knowledge and opinions concerning the situation in the real estate markets.

Introduction

An assessor works within the framework established by State law. A real property assessment system requires that procedures be accomplished in a complete and uniform manner each time they are repeated. Accurate and efficient assessment practices represent prudent expenditure of tax dollars. They establish taxpayer confidence in local government while allowing that government to serve its citizens effectively. Therefore, the important role assessment practices play is significant.

This report covers three large classes of property: 1) residential, 2) commercial/industrial, and 3) agricultural. The expectation for 2010 is that the statistics for all categories will fall within parameters set by State Property Assessment officials within annual directives. The primary factor used for measurement is the assessment sales ratio (92-100%). Agricultural ground as a whole is to be proportionate to the other classes (69-75%). It is difficult to avoid some imbalance among the three main agricultural categories—irrigated, dry, and grass—as well as the additional seven subclasses within each of those groupings. This occurs because of a lack of sales in some market areas.

The additional qualifying statistical measurements—coefficient of dispersion (COD), and price related differential (PRD)—receive considerable study as well. Attempts are made utilizing computer modeling of the sales file, and subsequent application to all properties, to meet generally accepted guidelines of appraisal and assessment practices.

Statistical Information

Here are the statistics for Dawson County as reported for 2009 based on the median:

	Residential Property	Commercial Property	Agricultural Property
No. Of Sales	526	82	163
AS%:	97.63	95.12	73.66
COD:	10.12	18.22	32.87
PRD:	102.44	127.98	110.37

The unusual change in the PRD started in 2008 in the commercial class that continued for 2009 resulted from the sale of land purchased by the City of Lexington through its Community Redevelopment Authority at a rate far exceeding the assessment, due to the change in use of the property. It had been assessed as agricultural ground and is now in the commercial file. The sale will influence the overall file again next year because sales remain in the data file for three years.

This report outlines time frames for reappraising or updating of property values. It is the intention of the assessor, relative to the amount of change annually in the market, to look at updating each class of property in a three-year cycle starting with residential, then continuing with agriculture production ground, and then commercial. In practice, market forces often times disrupt this cycle, and any plan of this scope requires considerable flexibility. Review and analysis of the situation in more detail is conducted as required by statute for possible changes in this plan. The utilization of a Computer Assisted Mass Appraisal (CAMA) system helps determine the need for an on-site physical inspection that could lead to a large-scale reappraisal.

Despite my serious intentions, it is difficult to anticipate abrupt changes within each larger market class, given that the sales studies are at least a year behind current trends. Much of the work tends to be ongoing, albeit, within smaller segments of each class. In actual practice, updates have been conducted every year in one or more localities for residential property, and changes have been required for commercial property to a degree at least every two years. Agricultural ground also tends to receive annual attention.

The fact that there are three major groups of property in the statistical analysis naturally suggested looking at a cycle in three-year increments. But the markets, much like a meandering river, have currents of their own. Staying with those “currents” has required the assessor to react in timely fashion to what “is” happening as much as it has to anticipating what “might” occur. Therefore, expectations often have reflected more the need to “keep up”.

Pursuant to section 77-1311.02, assessors are to submit a three-year plan of assessment annually to the county board of equalization by July 31, and a copy of that report to the Property Assessment Division of the Department of Revenue by October 31 with amendments if necessary. Included in the plan is the examination of the level, quality, and uniformity of assessment in the county.

Definitions

To help draw boundaries in terms of methods, these definitions are offered:

Updating: Examination of sold properties on-site in each instance and the development of a model to be used for a particular market area or neighborhood for both sold and unsold properties. This occurs following a statistical analysis and thorough market study of the level of value. It normally does not include a complete *new* record, but a check of the current record for accuracy, and may or may not warrant physical measurement and complete inspection of the property. The updates generally are limited to particular locations, and may be as restricted as one property in the case of an increase in the square footage of a dwelling, or the addition of some other structure, such as a new garage. But the term “update” is used most often in relation to the change of numerous sold and unsold properties within a given area. It is most likely to involve a group of properties contained in no less than a residential subdivision. It generally would not involve a group as large as the entire county because that could shift it into a definition of a full reappraisal.

Reappraisal: The complete new measurement of all *sold and unsold* properties within the entire county in a given classification. The appraisers and listers would be looking at the property, initially, absent in-depth knowledge of its history. The outcome would be the creation of all new property record cards. This most likely would include either commercial or residential classifications but seldom both at the same time, due to the cost involved to prepare and complete the reappraisal in a timely manner. A reappraisal would be prompted most likely only if there was an unusual upward or downward surge in every economic sector of the county at once, and that surge results in a classification falling well out of mandated ranges of level of value, and then particularly as it pertains to qualifying statistics of PRD and COD.

It would also be difficult to include agricultural production ground under this definition because that tends to receive annual ongoing attention due to the differences inherent in the property type. A complete new measurement of all acres within the agriculture sector annually would be prohibitive for many reasons, though recent popularity of pivot irrigation systems has resulted in some acre count work. The county board of commissioners has determined that a certified copy of an individual’s contract with federal farm programs, showing the amount of acres involved in a particular use is the best evidence of the number of acres that should be on record in accordance with their use. For irrigated acres we depend on the certification filed with Central Platte NRD.

Review: This is the initial stage of checking real estate transfer statements, changes on properties, and preliminary statistical studies to determine the need to proceed toward an update or reappraisal. Unless there is additional credible

information from other resources, reviews only serve to provide cursive support of the level of value, but may encourage further action.

Residential Information

The 2009 ending statistical report for urban residential sales indicated assessment-sales ratios were within accepted levels on a countywide basis for residential and agricultural and commercial classes. The CODs and PRDs prompted considerably closer looks at specific areas. Transfers within the last six months limited to the sales file under consideration indicated ratios were slipping in the category of rural home sites and farm site. Also, the upheaval on the national level concerning real estate markets remains uncertain locally, but the *[now imminent]* closure of a major manufacturing plant in Cozad could cause a sudden drop in that city's real estate market. The community received an update for 2009 on the heels of updates that had already been required in most other residential sectors of the county in prior years.

This plant closing looms heavy on the market now, according to reports received from property owners during the first half of 2009, especially for those who protested valuation increases and offered information to the county board of equalization. Statistical market studies are now underway for use in determining 2010 valuations.

At this time, given activity from sales, and following the routine set up to regularly review property, it is anticipated that the following will be on a list for 2010 initial review in the residential class:

- ❑ Any sag in the sales will be watched closely in anticipation of the backlash on the national level that has not emerged in the sales files.
- ❑ The most noticeable statistical red flag that will prompt a full review involves rural residential sites and farm home sites.

As a result of the increases of valuation in 2009, the ratio countywide is well within the necessary range overall for the residential class. The qualitative statistics in 2009 revealed relatively good results in higher population areas where abundant sales were helpful in determining market valuation levels. The models developed and applied contributed substantially to the acceptable assessment level. Though minor changes will be applied if needed, these models are expected to continue to achieve uniformity within their given market.

Commercial/Industrial Properties

The countywide ratio for this property classification came within standards in preliminary calculations for 2010.

The results of that analysis show that a full update conducted in 2006 for commercial properties continues to show values within an acceptable range. Appraisers conduct a

thorough review on an ongoing basis in anticipation of at least refining various occupation codes.

For 2010 it appears further review will be needed for the following:

- Commercial markets in Cozad, we will be developing a model for that situation.

Results of statistical readings of qualitative figures on commercial property can be quite misleading given the diverse nature of the property class. A good COD for retail stores does not necessarily mean the same holds true for office buildings, as an example.

Sales reviews on this class of property have been conducted with professional appraisers for the last several years and that practice will continue. The materials used when a reappraisal was completed for 2000 are still available, and this office has geared up to make the process more formal at that level. Budget constraints have for many years been a limiting factor in this process. Updated values were in place for 2006.

A specialist appraiser reviews industrial properties with staff help. This is done annually, and any activity that is prompted is done in a timely manner in accordance with the assessment calendar. The number of industrial properties within Dawson County is relatively small, but the valuation involved has a significant impact on the overall file. An ethanol plant that began production two years ago is a prime example.

Again, due to the diversity of the within variety of commercial property, very often review and update of values are conducted in terms of categories, such as all fast food franchise businesses, or motels. Reviews within neighborhoods, like highway strips to Interstate 80, are also conducted regularly. And depending on the activity within the market, main business districts within the larger communities of Dawson County undergo some review as well.

Agricultural Ground

The mixture that typifies any description of agricultural production ground gives a strong indication of why these numbers can be ambiguous. The overall ratio in 2009 ending studies began to indicate the unprecedented upward trend in agricultural sales.

Values increased at historic highs given market sales that continue in a trend now about three years in the making.

The top of the range for irrigated ground appears to be nearing \$4,500 to \$5,000 an acre. Some obvious influence of this has been seen in both dry and grass subclasses.

Added to the stress of reacting to the unusual valuation increases is the directive to review and recount all soils within the county. This process has not occurred since 1978 in Dawson County.

To accomplish this, and with cooperation from the county board and surveyor, a GIS system has been set up and beginning in this month (*July 2009*), the format is in place to begin updating acre counts on all parcels. This must be accomplished for 2010 valuations. Coupled with this will be the updating of valuations in response to the market sales.

Sales analysis has been ongoing for many years of this major class of property. Models have been established that are very useful in cooperation with state officials.

Models have also been established in terms of the income approach. Various resources have been utilized, particularly from the University of Nebraska and the local Extension Service that conducts an annual survey of land rents. Capitalization rates are derived from market sales and interviews with local banking and farm investment firms. Separate capitalization rates are employed in connection with specific uses: irrigation, dry or grass.

This work at this time is an enormous task, unlike any taken on for more than two decades. Even with the assistance of a GIS computer format, this office will put almost all of its energy for the next year on updating these records.

Other Information

Dawson County has more than 22,000 total parcels in the files. Of that number about 58 percent represents residential and recreational properties, 7-8 percent commercial/industrial, 28 percent agricultural parcels, and the remainder is accounted for in exempt property. Nearly 50 percent of the county's valuation, on the other hand, rests in agricultural land, and that percentage could climb quite significantly with the 2009 valuations.

Currently the office staff includes the assessor, the deputy, chief appraiser, two full-time, and one part-time clerical employees. Some professional appraisers are also utilized on a contract basis. All but one full-time employee hold assessor certificates. They each attend educational classes on a regular basis, including IAAO courses pertaining to their positions.

The budget for the office in 2008-2009 was \$331,850. Of that figure, \$90,000 was stipulated for appraisal contracts. The actual amount spent, however, exceeded the budget item. The total budget calculates to approximately \$18.75 per parcel rounded. The 2009-2010 fiscal budget is expected to remain stable. Introduction of the new GIS system, and the need to replace the appraiser who will be retiring during the fiscal year will cause some uncertainty, however. My intention at this juncture is to utilize the contracted appraisal company to cover some of the duties of the appraiser, and anticipate that the appraiser will be on part-time status.

Additional expenditures of some \$5,000 are contained within the assessor's budget for use on a specialty property—particularly a larger commercial or industrial property that require a higher degree of appraisal expertise.

Office Procedures, Materials

This office has written policies and procedures concerning appraisal/assessment practices, and personnel guidelines that basically incorporate county policies and job descriptions. Cadastral maps were reviewed and resketched over several years concluding about 1995. They are updated almost daily as the surveyor provides the needed information. Black and white aerial photos of the rural sections were taken in 1982. Rural home site aerial photos were taken in December 1995 for use in a 1997 update. Record cards were redesigned with the reappraisal process that began about 1993. New photographs are taken upon each inspection of a property. Digital photographs were added to the CAMA system as the properties underwent review the last several years.

The introduction of a GIS system will enable the office to place cadastral and other statistical information in electronic form on computers. It is expected that there will eventually be a web site to help expedite inquiries and keep information current and concise.

Reviews are conducted regularly on the sales file. Data entry occurs as the transfer statements are examined and sent through a routine that begins with the deputy assessor who completes needed changes on the properties. She then sends the information on to staff. They add the pertinent facts to the CAMA and administrative systems. The assessor reviews all sales and makes the final judgment as to qualifying them for use in statistical measurements.

Often the properties that come up for review on the sales file are physically inspected in the field, particularly if they appear to be an outlier within the statistics. Attempts are made to inspect all properties that are protested to the county board of equalization. Review of entire neighborhoods, and in the case of commercial properties with all similar types of structures, are conducted as well whenever there are wholesale updates of values to be entered on the record for a given year. For example, many residential properties are checked before establishing the model that changes values. Within the first few months of a year, on-site inspections are conducted on all dwellings before a value is entered for the record, if those parcels are part of a market update.

This same procedure follows for the other classes of property as the cycle continues throughout the three years. An outside appraisal firm helps with this work. The sales files are matched up with state property assessment division records. Confirmation of sales may be conducted at various levels including personal interviews and on-site inspections. More formal methods were incorporated beginning in 2005.

Time and expense are major factors in the percentage of the number of sales that can be reviewed, particularly in the residential sales. Due to many home owners working outside the home, and the cultural diversity of Dawson County, personal interviews are sometimes difficult to obtain. There have also been numerous foreclosure procedures in recent years and those sales tend to increase the time schedule despite their limited use in the sales file.

Conclusion

The Dawson County Assessor's Office attempts to review and maintain market value updates on all classes of property on an annual basis, but follows three-year cycles for each class depending on the amount of sales activity. A CAMA system helps in maintaining the proper level of values as required by statute.

A countywide reappraisal process that included a new measurement of all structures, and therefore a completely new record of each parcel, was started about 1993 and had been completed as of 2000. Updates prompted by market changes are considered annually; however, a more thorough review is planned at three-year increments to determine if another comprehensive reappraisal would be desirable.

Respectfully submitted,

John Phillip Moore
Dawson County Assessor

2010 Assessment Survey for Dawson County

I. General Information

A. Staffing and Funding Information

1.	Deputy(ies) on staff
	1
2.	Appraiser(s) on staff
	1
3.	Other full-time employees
	2
4.	Other part-time employees
	1
5.	Number of shared employees
	0
6.	Assessor's requested budget for current fiscal year
	\$329,493
7.	Adopted budget, or granted budget if different from above
	Same
8.	Amount of the total budget set aside for appraisal work
	\$120,000
9.	Appraisal/Reappraisal budget, if not part of the total budget
	n/a
10.	Part of the budget that is dedicated to the computer system
	\$22,500
11.	Amount of the total budget set aside for education/workshops
	\$4,500
12.	Other miscellaneous funds
	n/a
13.	Was any of last year's budget not used:
	No

B. Computer, Automation Information and GIS

1.	Administrative software
	MIPS
2.	CAMA software
	MIPS
3.	Cadastral maps: Are they currently being used?
	Yes
4.	Who maintains the Cadastral Maps?
	The maps (1995) are maintained in house with the assistance of the county surveyor.

5.	Does the county have GIS software?
	Yes, the county is currently transitioning to GIS mapping, it was used to complete the soil conversion for 2010, but has not yet been fully implemented.
6.	Who maintains the GIS software and maps?
	The GIS software is being implemented through a cooperative effort between the assessor and staff and the county surveyor and staff.
7.	Personal Property software:
	MIPS

C. Zoning Information

1.	Does the county have zoning?
	Yes
2.	If so, is the zoning countywide?
	Yes
3.	What municipalities in the county are zoned?
	Lexington, Cozad, and Gothenburg
4.	When was zoning implemented?
	1991

D. Contracted Services

1.	Appraisal Services
	Stanard Appraisal Services
2.	Other services
	None

Certification

This is to certify that the 2010 Reports and Opinions of the Property Tax Administrator have been sent to the following:

One copy by electronic transmission and one printed copy by hand delivery to the Tax Equalization and Review Commission.

One copy by electronic transmission to the Dawson County Assessor.

Dated this 7th day of April, 2010.



A handwritten signature in cursive script that reads "Ruth A. Sorensen".

Ruth A. Sorensen
Property Tax Administrator

Valuation History Charts