

# Table of Contents

## 2013 Commission Summary

## 2013 Opinions of the Property Tax Administrator

### Residential Reports

- Residential Assessment Actions
- Residential Assessment Survey
- Residential Statistics

### Residential Correlation

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

### Commercial Reports

- Commercial Assessment Actions
- Commercial Assessment Survey
- Commercial Statistics

### Commercial Correlation

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

### Agricultural and/or Special Valuation Reports

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

### Agricultural and/or Special Valuation Correlation

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

### County Reports

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

Assessment Survey – General Information

**Certification**

**Maps**

Market Areas

Registered Wells > 500 GPM

**Valuation History Charts**



## 2013 Commission Summary for Franklin County

---

### Residential Real Property - Current

Number of Sales	102	Median	96.93
Total Sales Price	\$3,611,200	Mean	110.13
Total Adj. Sales Price	\$3,611,200	Wgt. Mean	90.44
Total Assessed Value	\$3,265,990	Average Assessed Value of the Base	\$24,082
Avg. Adj. Sales Price	\$35,404	Avg. Assessed Value	\$32,020

### Confidence Interval - Current

95% Median C.I	86.01 to 104.02
95% Wgt. Mean C.I	85.14 to 95.74
95% Mean C.I	95.28 to 124.98
% of Value of the Class of all Real Property Value in the	6.45
% of Records Sold in the Study Period	6.21
% of Value Sold in the Study Period	8.25

### Residential Real Property - History

Year	Number of Sales	LOV	Median
2012	113	99	98.54
2011	120	99	99
2010	122	99	99
2009	121	99	99

## 2013 Commission Summary for Franklin County

### Commercial Real Property - Current

Number of Sales	17	Median	81.03
Total Sales Price	\$1,193,805	Mean	80.89
Total Adj. Sales Price	\$1,093,805	Wgt. Mean	72.38
Total Assessed Value	\$791,745	Average Assessed Value of the Base	\$44,606
Avg. Adj. Sales Price	\$64,341	Avg. Assessed Value	\$46,573

### Confidence Interval - Current

95% Median C.I	57.63 to 100.00
95% Wgt. Mean C.I	37.65 to 107.12
95% Mean C.I	64.94 to 96.84
% of Value of the Class of all Real Property Value in the County	2.63
% of Records Sold in the Study Period	4.71
% of Value Sold in the Study Period	4.92

### Commercial Real Property - History

Year	Number of Sales	LOV	Median
2012	18		93.96
2011	20		95
2010	19	94	94
2009	13	94	94



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

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

Class	Level of Value	Quality of Assessment	Non-binding recommendation
<b>Residential Real Property</b>	97	Meets generally accepted mass appraisal practices.	No recommendation.
<b>Commercial Real Property</b>	*NEI	Meets generally accepted mass appraisal practices.	No recommendation.
<b>Agricultural Land</b>	72	Meets generally accepted mass appraisal practices.	No recommendation.

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

Dated this 5th day of April, 2013.



*Ruth A. Sorensen*

\_\_\_\_\_  
Ruth A. Sorensen  
Property Tax Administrator



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

A drive by review of the town of Hildreth was completed, to check the listing on the property record card against each property. The pickup work was completed timely, and improvements were listed or removed as they were reported or discovered by the County Assessor's Office.

A spreadsheet analysis was completed on the sold properties. The analysis revealed that additional depreciation needed to be given on one and half story houses within Franklin. No other changes were found to be necessary. Only routine maintenance was performed within the rest of the class.

## 2013 Residential Assessment Survey for Franklin County

1.	<b>Valuation data collection done by:</b>	
	The assessor, staff, & contract appraiser	
2.	<b>List the valuation groupings recognized by the County and describe the unique characteristics of each:</b>	
	<u>Valuation Grouping</u>	<u>Description of unique characteristics</u>
	01	Franklin – largest community in the county, with the most amenities including a school, active main street, and health services. The amenities and job opportunities provide good demand for residential housing.
	02	Bloomington – very small community with few amenities. Located close to Franklin, and is almost a bedroom community.
	03	Campbell – bedroom community to the City of Hastings. Campbell also has a new grain elevator facility that has provided additional jobs and increased the demand for housing.
	04	Hildreth – small community with an active main street district; primarily influenced by its proximity to Minden and Kearney.
	05	Naponee – very small community, and is not located on a major highway; primarily influenced by its proximity to Harlan County Reservoir.
	06	Riverton – very small community with little activity, or amenities. Located along highway 136 between Franklin and Red Cloud.
	07	Upland – very small community not located on a major highway. Very little market activity or amenities.
	10	Rural Res – all residential parcels not located within the boundaries of a village.
3.	<b>List and describe the approach(es) used to estimate the market value of residential properties.</b>	
	The cost approach is primarily used.	
4.	<b>What is the costing year of the cost approach being used for each valuation grouping?</b>	
	June 2012	
5.	<b>If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor?</b>	
	Depreciation tables are developed using local market information.	
6.	<b>Are individual depreciation tables developed for each valuation grouping?</b>	
	Yes	
7.	<b>When were the depreciation tables last updated for each valuation grouping?</b>	
	A depreciation study was last completed in 2010; however, the tables are adjusted annually if necessary.	
8.	<b>When was the last lot value study completed for each valuation grouping?</b>	

	1999
9.	<b>Describe the methodology used to determine the residential lot values?</b>
	Price per square foot

**31 Franklin  
RESIDENTIAL**

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

Qualified

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

Number of Sales : 102  
 Total Sales Price : 3,611,200  
 Total Adj. Sales Price : 3,611,200  
 Total Assessed Value : 3,265,990  
 Avg. Adj. Sales Price : 35,404  
 Avg. Assessed Value : 32,020

MEDIAN : 97  
 WGT. MEAN : 90  
 MEAN : 110  
 COD : 39.70  
 PRD : 121.77

COV : 69.49  
 STD : 76.53  
 Avg. Abs. Dev : 38.48  
 MAX Sales Ratio : 671.00  
 MIN Sales Ratio : 39.64

95% Median C.I. : 86.01 to 104.02  
 95% Wgt. Mean C.I. : 85.14 to 95.74  
 95% Mean C.I. : 95.28 to 124.98

Printed:3/21/2013 4:36:30PM

<b>DATE OF SALE *</b>										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
<u>Qtrts</u>											
01-OCT-10 To 31-DEC-10	16	99.46	94.77	91.44	21.41	103.64	41.58	174.24	60.08 to 112.20	26,356	24,099
01-JAN-11 To 31-MAR-11	10	98.10	129.94	89.50	54.25	145.18	57.47	372.25	69.82 to 207.75	44,530	39,856
01-APR-11 To 30-JUN-11	20	92.11	105.98	83.41	37.59	127.06	39.64	288.25	75.20 to 116.40	38,525	32,133
01-JUL-11 To 30-SEP-11	13	115.22	108.78	92.76	28.78	117.27	42.24	168.43	46.92 to 134.21	30,827	28,595
01-OCT-11 To 31-DEC-11	12	98.43	119.08	91.71	42.41	129.84	51.03	257.78	77.28 to 161.02	37,363	34,267
01-JAN-12 To 31-MAR-12	7	105.89	183.41	103.35	94.46	177.46	61.67	671.00	61.67 to 671.00	39,357	40,676
01-APR-12 To 30-JUN-12	11	76.63	82.84	90.67	22.81	91.36	45.41	118.34	60.48 to 115.91	39,091	35,445
01-JUL-12 To 30-SEP-12	13	84.73	96.92	91.06	32.79	106.44	57.48	197.75	69.59 to 120.50	32,238	29,356
<u>Study Yrs</u>											
01-OCT-10 To 30-SEP-11	59	98.91	107.62	88.24	35.38	121.96	39.64	372.25	89.83 to 109.60	34,547	30,484
01-OCT-11 To 30-SEP-12	43	93.27	113.58	93.29	46.02	121.75	45.41	671.00	77.28 to 107.87	36,580	34,127
<u>Calendar Yrs</u>											
01-JAN-11 To 31-DEC-11	55	96.81	113.85	88.34	41.74	128.88	39.64	372.25	83.35 to 111.14	37,544	33,166
<u>ALL</u>	102	96.93	110.13	90.44	39.70	121.77	39.64	671.00	86.01 to 104.02	35,404	32,020

<b>VALUATION GROUPING</b>										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
01	42	100.36	103.55	95.52	21.89	108.41	45.41	229.45	94.39 to 111.14	39,708	37,929
02	9	93.27	102.06	81.92	30.97	124.58	57.48	197.75	68.87 to 120.50	22,833	18,705
03	17	98.50	142.14	83.37	71.24	170.49	46.71	671.00	78.80 to 168.43	27,203	22,679
04	15	99.38	102.03	92.97	29.22	109.75	51.03	228.63	69.59 to 116.40	53,020	49,291
05	6	169.88	186.99	128.87	60.30	145.10	47.43	372.25	47.43 to 372.25	11,617	14,971
06	7	57.81	58.65	54.94	20.52	106.75	41.58	78.22	41.58 to 78.22	15,143	8,320
07	3	94.55	87.25	89.68	09.49	97.29	70.15	97.05	N/A	30,000	26,905
10	3	67.16	75.05	70.36	39.06	106.67	39.64	118.34	N/A	71,500	50,305
<u>ALL</u>	102	96.93	110.13	90.44	39.70	121.77	39.64	671.00	86.01 to 104.02	35,404	32,020

<b>PROPERTY TYPE *</b>										Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.		
01	101	96.81	110.11	90.38	39.99	121.83	39.64	671.00	86.01 to 102.49	35,655	32,225
06											
07	1	112.20	112.20	112.20	00.00	100.00	112.20	112.20	N/A	10,000	11,220
<u>ALL</u>	102	96.93	110.13	90.44	39.70	121.77	39.64	671.00	86.01 to 104.02	35,404	32,020

**31 Franklin  
RESIDENTIAL**

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

Qualified

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

Number of Sales : 102  
 Total Sales Price : 3,611,200  
 Total Adj. Sales Price : 3,611,200  
 Total Assessed Value : 3,265,990  
 Avg. Adj. Sales Price : 35,404  
 Avg. Assessed Value : 32,020

MEDIAN : 97  
 WGT. MEAN : 90  
 MEAN : 110  
 COD : 39.70  
 PRD : 121.77

COV : 69.49  
 STD : 76.53  
 Avg. Abs. Dev : 38.48  
 MAX Sales Ratio : 671.00  
 MIN Sales Ratio : 39.64

95% Median C.I. : 86.01 to 104.02  
 95% Wgt. Mean C.I. : 85.14 to 95.74  
 95% Mean C.I. : 95.28 to 124.98

Printed:3/21/2013 4:36:30PM

SALE PRICE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
<u>Low \$ Ranges</u>												
Less Than 5,000	10	168.43	233.30	202.46	59.45	115.23	78.22	671.00	126.13 to 372.25	3,495	7,076	
Less Than 15,000	30	125.23	164.26	140.27	55.96	117.10	46.92	671.00	111.14 to 168.43	6,928	9,719	
Less Than 30,000	57	111.14	128.73	104.04	47.46	123.73	41.58	671.00	97.05 to 124.33	13,413	13,955	
<u>Ranges Excl. Low \$</u>												
Greater Than 4,999	92	94.54	96.74	89.35	28.90	108.27	39.64	288.25	83.29 to 100.01	38,872	34,731	
Greater Than 14,999	72	86.58	87.58	87.40	23.70	100.21	39.64	143.72	78.80 to 96.81	47,269	41,312	
Greater Than 29,999	45	86.01	86.57	86.79	18.99	99.75	39.64	134.21	80.72 to 96.28	63,259	54,901	
<u>Incremental Ranges</u>												
0 TO 4,999	10	168.43	233.30	202.46	59.45	115.23	78.22	671.00	126.13 to 372.25	3,495	7,076	
5,000 TO 14,999	20	113.49	129.74	127.70	38.58	101.60	46.92	288.25	102.31 to 132.06	8,645	11,040	
15,000 TO 29,999	27	94.39	89.25	90.52	28.81	98.60	41.58	143.72	68.87 to 112.78	20,619	18,663	
30,000 TO 59,999	22	87.92	88.15	88.58	17.52	99.51	51.03	122.33	76.63 to 100.01	41,675	36,916	
60,000 TO 99,999	18	82.35	83.90	84.36	22.56	99.45	39.64	134.21	69.82 to 102.49	75,489	63,684	
100,000 TO 149,999	5	96.28	89.26	89.68	08.60	99.53	67.16	98.91	N/A	114,200	102,415	
150,000 TO 249,999												
250,000 TO 499,999												
500,000 TO 999,999												
1,000,000 +												
<u>ALL</u>	102	96.93	110.13	90.44	39.70	121.77	39.64	671.00	86.01 to 104.02	35,404	32,020	



## 2013 Correlation Section for Franklin County

---

### **A. Residential Real Property**

Franklin County is made up of eight small communities with populations ranging from less than 100 to 1,000 people. The economy is largely agricultural based. The county assessor recognizes each small town as a separate valuation grouping due to differences such as proximity to larger towns and whether the community is located along a major highway.

The county is complying with the statutory six year inspection requirement. Generally within Franklin County residential properties get reviewed much more frequently than every six years. All residential parcels, with the exception of rural residential have been inspected since 2011. A review of rural residential began in 2012 and will be completed for 2014.

The Department conducts two different scheduled reviews each year. The first is an assessment practices review, in which one-third of the counties within the state are reviewed each year. Franklin County received this review during 2011. The review indicated that assessment techniques were consistently and equitably applied within the residential class. The second review was conducted in all counties for 2012 and included a review of sales qualification determinations. In Franklin County, the review involved examining the non-qualified sales roster to ensure reasons for disqualifying sales were documented and appropriate. An on-site interview with the assessor was also conducted, in which the assessor demonstrated knowledge of sales transactions within the county. Based on the review, it is determined that qualification determinations have been made without bias and that all arm's length sales were made available for the measurement of real property in the county.

Review of the statistical profile for the class shows that only the median is within the acceptable range. The qualitative statistics are also well above the recommended range. When sales are stratified and reviewed by sale price, it is clear that there are 10 extreme low dollar sales having a significant impact on the qualitative measures. Because the majority of the communities in Franklin County are extremely rural with little organization in the market it is not untypical to see qualitative measures that are higher than those recommended by IAAO. Still, there is a pattern of assessments being regressive, particularly in sales outside the town of Franklin. The county may want to review the valuation models prior to future appraisals, and consider combining some of the smaller valuation groupings to provide more meaningful analysis; however, the statistical calculations are not conclusive determinations of assessment quality. The department's review of assessment practices in the county has shown that assessment practices within the county meet generally accepted mass appraisal standards.

Based on the review of all available information, the level of value of residential property in Franklin County is determined to be 97%.

**2013 Correlation Section  
for Franklin County**

---

**B. Analysis of Sales Verification**

Neb. Rev. Stat. § 77-1327(2) (2011) provides that all sales are deemed to be arms length transactions unless determined to be otherwise under professionally accepted mass appraisal techniques. The county assessor is responsible for the qualification of the sales included in the state sales file.

The Standard on Ratio Studies, International Association of Assessing Officials (2010), indicates that excessive trimming (the arbitrary exclusion or adjustment of arms length transactions) may indicate an attempt to inappropriately exclude arms length transactions to create the appearance of a higher level of value and quality of assessment. The sales file, in a case of excess trimming, will fail to properly represent the level of value and quality of assessment of the population of real property.

The Nebraska Department of Revenue, Property Assessment Division (Division) frequently reviews the procedures used by the county assessor to qualify sales to ensure bias does not exist in judgments made. Arms length transactions should only be excluded when they compromise the reliability of the resulting statistics. In cases where a county assessor has disqualified sales without substantiation, the Division may include such sales in the ratio study.

## 2013 Correlation Section for Franklin County

---

### C. Measures of Central Tendency

There are three measures of central tendency calculated by the Division: median ratio, weighted mean ratio, and mean ratio. Since each measure of central tendency has strengths and weaknesses, the use of any statistic for equalization should be reconciled with the other two, as in an appraisal, based on the appropriateness of the use of the statistic for a defined purpose, the quantity of the information from which it was drawn, and the reliability of the data that was used in its calculation. An examination of the three measures can serve to illustrate important trends in the data if the measures do not closely correlate to each other.

The International Association of Assessing Officers (IAAO) considers the median ratio the most appropriate statistical measure for use in determining level of value for direct equalization; the process of adjusting the values of classes or subclasses of property in response to the determination of level of value at a point above or below a particular range. Since the median ratio is considered neutral in relationship to either assessed value or selling price, its use in adjusting the class or subclass of properties will not change the relationships between assessed value and level of value already present within the class or subclass of properties, thus rendering an adjustment neutral in its impact on the relative tax burden to an individual property. Additionally, the median ratio is less influenced by the presence of extreme ratios, commonly called outliers. One outlier in a small sample size of sales can have controlling influence over the other measures of central tendency. The median ratio limits the distortion potential of an outlier.

The weighted mean ratio is viewed by the IAAO as the most appropriate statistical measure for indirect equalization. The weighted mean, because it is a value weighted ratio, best reflects a comparison of the assessed and market value of property in the political subdivision. If the distribution of aid to political subdivisions must relate to the market value available for assessment in the political subdivision, the measurement of central tendency used to analyze level of value should reflect the dollars of value available to be assessed. The weighted mean ratio does that more than either of the other measures of central tendency.

If the weighted mean ratio, because of its dollar-weighting feature, is significantly different from the median ratio, it may be an indication of other problems with assessment proportionality. When this occurs, an evaluation of the county's assessment practices and procedures is appropriate to discover remedies to the situation.

The mean ratio is used as a basis for other statistical calculations, such as the price related differential and coefficient of variation. However, the mean ratio has limited application in the analysis of level of value because it assumes a normal distribution of the data set around the mean ratio with each ratio having the same impact on the calculation regardless of the assessed value or the selling price.

## 2013 Correlation Section for Franklin County

---

### D. Analysis of Quality of Assessment

In analyzing the statistical data of assessment quality, there are two measures upon which assessment officials will primarily rely: the Coefficient of Dispersion (COD), and the Price Related Differential (PRD). Whether such statistics can be relied upon as meaningful for the population depends on whether the sample is representative.

The COD is commonly referred to as the index of assessment inequality. It is used to measure how closely the individual ratios are clustered around the median ratio and suggests the degree of uniformity or inaccuracy resulting in the assessments. The COD is computed by dividing the average deviation by the median ratio. For example, a COD of 20 means half of the ratios are 20 percent above or below the median. The closer the ratios are grouped around the median, the more equitable the assessment of property tends to be. Conversely, if the dispersion is quite large, there is a large spread in the ratios typically indicating a large spread around the median in the assessment of property, which results in an inequity in assessment and taxes. There is no range of acceptability stated in the Nebraska statutes for the COD measure. The IAAO recommended ratio study performance standards are as follows:

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

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

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

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

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

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

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

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

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

**2013 Correlation Section  
for Franklin County**

---

high-value properties are over assessed in relation to low-value properties.

There is no range of acceptability stated in the Nebraska statutes for the PRD measure. The Standard on Ratio Studies, adopted by the International Association of Assessing Officers, January, 2010, recommends that the PRD should lie between 98 and 103. This range is centered slightly above 100 to allow for a slightly upward measurement bias inherent in the PRD.

The PRD is calculated based on the selling price/assessed value in the sales file. This measure can be misleading if the dollar value of the records in the sales file is not proportionate to the dollar value of records in the population.

Mass Appraisal of Real Property, International Association of Assessing Officers, (1999), p. 239.



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

Only routine maintenance was completed within the commercial class. The pickup work was completed timely and improvements were added or removed as discovered by or reported to the County Assessor's Office.

A thorough study of the commercial sales was completed to see if a pattern could be established to substantiate adjusting the value of properties within the commercial class. No pattern could be established in the sales data to warrant adjustments to values for 2013.

## 2013 Commercial Assessment Survey for Franklin County

1.	<b>Valuation data collection done by:</b>	
	Assessor, staff, and the contract appraiser	
2.	<b>List the valuation groupings recognized in the County and describe the unique characteristics of each:</b>	
	<u>Valuation Grouping</u>	<u>Description of unique characteristics</u>
	01	Franklin – largest community in the county, with the most amenities including a school, active main street, and health services. Has the most market activity in the county.
	02	Bloomington – very small community close to Franklin with very few commercial parcels.
	03	Campbell – bedroom community to the City of Hastings; some commercial activity including a new grain elevator facility.
	04	Hildreth – small community with an active main street district; primarily influenced by its proximity to Minden and Kearney.
	05	Naponee – very small community, and is not located on a major highway; primarily influenced by its proximity to Harlan County Reservoir.
	06	Riverton – very small community with few commercial parcels and little activity. Located along highway 136 between Franklin and Red Cloud.
	07	Upland – very small community not located on a major highway. Few commercial parcels and little market activity.
	10	Rural – all commercial parcels not located within the boundaries of a village. These properties tend to be agricultural influenced.
3.	<b>List and describe the approach(es) used to estimate the market value of commercial properties.</b>	
	Primarily the cost approach and sales comparison approach are used. The income approach is considered when information is available and applicable.	
3a.	<b>Describe the process used to determine the value of unique commercial properties.</b>	
	The county employs a contract appraiser to help establish the value of unique commercial properties.	
4.	<b>What is the costing year of the cost approach being used for each valuation grouping?</b>	
	September 2007	
5.	<b>If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor?</b>	
	Depreciation studies are based on local market information.	
6.	<b>Are individual depreciation tables developed for each valuation grouping?</b>	
	Yes	
7.	<b>When were the depreciation tables last updated for each valuation grouping?</b>	

	2012
8.	<b>When was the last lot value study completed for each valuation grouping?</b>
	1999
9.	<b>Describe the methodology used to determine the commercial lot values.</b>
	Price per square foot

**31 Franklin**  
**COMMERCIAL**

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

Qualified

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

Number of Sales : 17  
Total Sales Price : 1,193,805  
Total Adj. Sales Price : 1,093,805  
Total Assessed Value : 791,745  
Avg. Adj. Sales Price : 64,341  
Avg. Assessed Value : 46,573

MEDIAN : 81  
WGT. MEAN : 72  
MEAN : 81  
COD : 29.32  
PRD : 111.76

COV : 38.36  
STD : 31.03  
Avg. Abs. Dev : 23.76  
MAX Sales Ratio : 143.85  
MIN Sales Ratio : 20.66

95% Median C.I. : 57.63 to 100.00  
95% Wgt. Mean C.I. : 37.65 to 107.12  
95% Mean C.I. : 64.94 to 96.84

Printed:3/21/2013 4:36:31PM

**DATE OF SALE \***

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Qtrts</u>											
01-OCT-09 To 31-DEC-09	2	104.09	104.09	84.57	20.31	123.08	82.95	125.23	N/A	143,000	120,938
01-JAN-10 To 31-MAR-10											
01-APR-10 To 30-JUN-10	1	57.63	57.63	57.63	00.00	100.00	57.63	57.63	N/A	15,000	8,645
01-JUL-10 To 30-SEP-10											
01-OCT-10 To 31-DEC-10	3	75.13	70.56	75.05	09.26	94.02	57.83	78.72	N/A	33,333	25,017
01-JAN-11 To 31-MAR-11	2	98.24	98.24	97.84	01.80	100.41	96.47	100.00	N/A	24,528	23,998
01-APR-11 To 30-JUN-11	3	90.00	104.96	134.43	23.27	78.08	81.03	143.85	N/A	59,250	79,652
01-JUL-11 To 30-SEP-11	3	47.22	60.66	26.93	65.95	225.25	20.66	114.09	N/A	97,000	26,120
01-OCT-11 To 31-DEC-11	1	96.47	96.47	96.47	00.00	100.00	96.47	96.47	N/A	30,000	28,940
01-JAN-12 To 31-MAR-12											
01-APR-12 To 30-JUN-12	1	61.35	61.35	61.35	00.00	100.00	61.35	61.35	N/A	30,000	18,405
01-JUL-12 To 30-SEP-12	1	46.54	46.54	46.54	00.00	100.00	46.54	46.54	N/A	115,000	53,520
<u>Study Yrs</u>											
01-OCT-09 To 30-SEP-10	3	82.95	88.60	83.23	27.16	106.45	57.63	125.23	N/A	100,333	83,507
01-OCT-10 To 30-SEP-11	11	81.03	82.27	71.28	29.72	115.42	20.66	143.85	47.22 to 114.09	56,164	40,033
01-OCT-11 To 30-SEP-12	3	61.35	68.12	57.64	27.12	118.18	46.54	96.47	N/A	58,333	33,622
<u>Calendar Yrs</u>											
01-JAN-10 To 31-DEC-10	4	66.48	67.33	72.78	14.44	92.51	57.63	78.72	N/A	28,750	20,924
01-JAN-11 To 31-DEC-11	9	96.47	87.75	71.97	24.82	121.93	20.66	143.85	47.22 to 114.09	60,867	43,806
<u>ALL</u>	17	81.03	80.89	72.38	29.32	111.76	20.66	143.85	57.63 to 100.00	64,341	46,573

**VALUATION GROUPING**

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
01	8	86.48	90.92	98.49	18.25	92.31	57.83	143.85	57.83 to 143.85	74,719	73,589
02	2	73.27	73.27	54.14	36.48	135.33	46.54	100.00	N/A	67,028	36,288
03	2	66.38	66.38	66.38	13.18	100.00	57.63	75.13	N/A	15,000	9,958
04	3	61.35	74.22	63.55	36.33	116.79	47.22	114.09	N/A	23,667	15,040
10	2	72.95	72.95	25.07	71.68	290.99	20.66	125.23	N/A	130,500	32,710
<u>ALL</u>	17	81.03	80.89	72.38	29.32	111.76	20.66	143.85	57.63 to 100.00	64,341	46,573

**31 Franklin  
COMMERCIAL**

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

Qualified

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

Number of Sales : 17  
 Total Sales Price : 1,193,805  
 Total Adj. Sales Price : 1,093,805  
 Total Assessed Value : 791,745  
 Avg. Adj. Sales Price : 64,341  
 Avg. Assessed Value : 46,573

MEDIAN : 81  
 WGT. MEAN : 72  
 MEAN : 81  
 COD : 29.32  
 PRD : 111.76

COV : 38.36  
 STD : 31.03  
 Avg. Abs. Dev : 23.76  
 MAX Sales Ratio : 143.85  
 MIN Sales Ratio : 20.66

95% Median C.I. : 57.63 to 100.00  
 95% Wgt. Mean C.I. : 37.65 to 107.12  
 95% Mean C.I. : 64.94 to 96.84

Printed:3/21/2013 4:36:31PM

**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	17	81.03	80.89	72.38	29.32	111.76	20.66	143.85	57.63 to 100.00	64,341	46,573
04											
<u>ALL</u>	17	81.03	80.89	72.38	29.32	111.76	20.66	143.85	57.63 to 100.00	64,341	46,573

**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 \$ Ranges</u>											
Less Than 5,000											
Less Than 15,000	3	114.09	109.77	111.93	10.29	98.07	90.00	125.23	N/A	9,917	11,100
Less Than 30,000	8	85.52	87.62	85.37	23.05	102.64	57.63	125.23	57.63 to 125.23	14,226	12,144
<u>Ranges Excl. Low \$</u>											
Greater Than 4,999	17	81.03	80.89	72.38	29.32	111.76	20.66	143.85	57.63 to 100.00	64,341	46,573
Greater Than 14,999	14	76.93	74.70	71.28	29.08	104.80	20.66	143.85	47.22 to 96.47	76,004	54,175
Greater Than 29,999	9	78.72	74.91	70.88	34.44	105.69	20.66	143.85	46.54 to 96.47	108,889	77,177
<u>Incremental Ranges</u>											
0 TO 4,999											
5,000 TO 14,999	3	114.09	109.77	111.93	10.29	98.07	90.00	125.23	N/A	9,917	11,100
15,000 TO 29,999	5	75.13	74.32	75.96	17.45	97.84	57.63	100.00	N/A	16,811	12,770
30,000 TO 59,999	4	78.91	75.38	75.38	26.73	100.00	47.22	96.47	N/A	30,000	22,613
60,000 TO 99,999	1	78.72	78.72	78.72	00.00	100.00	78.72	78.72	N/A	70,000	55,105
100,000 TO 149,999	1	46.54	46.54	46.54	00.00	100.00	46.54	46.54	N/A	115,000	53,520
150,000 TO 249,999	1	143.85	143.85	143.85	00.00	100.00	143.85	143.85	N/A	150,000	215,775
250,000 TO 499,999	2	51.81	51.81	53.28	60.12	97.24	20.66	82.95	N/A	262,500	139,873
500,000 TO 999,999											
1,000,000 +											
<u>ALL</u>	17	81.03	80.89	72.38	29.32	111.76	20.66	143.85	57.63 to 100.00	64,341	46,573

**31 Franklin**  
**COMMERCIAL**

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

Qualified

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

Number of Sales : 17  
Total Sales Price : 1,193,805  
Total Adj. Sales Price : 1,093,805  
Total Assessed Value : 791,745  
Avg. Adj. Sales Price : 64,341  
Avg. Assessed Value : 46,573

MEDIAN : 81  
WGT. MEAN : 72  
MEAN : 81  
COD : 29.32  
PRD : 111.76

COV : 38.36  
STD : 31.03  
Avg. Abs. Dev : 23.76  
MAX Sales Ratio : 143.85  
MIN Sales Ratio : 20.66

95% Median C.I. : 57.63 to 100.00  
95% Wgt. Mean C.I. : 37.65 to 107.12  
95% Mean C.I. : 64.94 to 96.84

Printed:3/21/2013 4:36:31PM

**OCCUPANCY CODE**

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
326	2	96.47	96.47	96.47	00.00	100.00	96.47	96.47	N/A	30,000	28,940
344	1	47.22	47.22	47.22	00.00	100.00	47.22	47.22	N/A	30,000	14,165
346	1	100.00	100.00	100.00	00.00	100.00	100.00	100.00	N/A	19,055	19,055
350	1	82.95	82.95	82.95	00.00	100.00	82.95	82.95	N/A	275,000	228,100
353	3	78.72	81.28	79.08	06.30	102.78	75.13	90.00	N/A	30,917	24,450
406	2	69.43	69.43	71.09	16.71	97.66	57.83	81.03	N/A	17,500	12,440
434	1	114.09	114.09	114.09	00.00	100.00	114.09	114.09	N/A	11,000	12,550
442	1	61.35	61.35	61.35	00.00	100.00	61.35	61.35	N/A	30,000	18,405
470	1	46.54	46.54	46.54	00.00	100.00	46.54	46.54	N/A	115,000	53,520
479	1	125.23	125.23	125.23	00.00	100.00	125.23	125.23	N/A	11,000	13,775
494	1	20.66	20.66	20.66	00.00	100.00	20.66	20.66	N/A	250,000	51,645
528	1	57.63	57.63	57.63	00.00	100.00	57.63	57.63	N/A	15,000	8,645
543	1	143.85	143.85	143.85	00.00	100.00	143.85	143.85	N/A	150,000	215,775
<u>ALL</u>	17	81.03	80.89	72.38	29.32	111.76	20.66	143.85	57.63 to 100.00	64,341	46,573



## 2013 Correlation Section for Franklin County

---

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

Franklin County is made up of eight small communities with populations ranging from less than 100 to 1,000 people. The economy is largely agricultural based. The assessor recognizes each small town as a separate valuation grouping due to differences such proximity to larger towns and whether the community is located along a major highway. Due to the limited number of sales in each grouping, only the overall sample is analyzed by the Department.

The county is complying with the six year inspection requirement. All commercial parcels were reviewed for assessment year 2009; certain occupancies have been reviewed since then. New pictures were taken of all commercial properties in 2012, at which time the photos were compared to the listing to ensure there were no physical changes.

The Department conducts two different scheduled reviews each year. The first is an assessment practices review, in which one-third of the counties within the state are reviewed each year. Franklin County received this review during 2011. The review indicated that assessment techniques were consistently and equitably applied within the commercial class. The second review was conducted in all counties for 2012 and included a review of sales qualification determinations. In Franklin County, the review involved examining the non-qualified sales roster to ensure reasons for disqualifying sales were documented and appropriate. An on-site interview with the assessor was also conducted, in which the assessor demonstrated knowledge of sales transactions within the county. Based on the review, it is determined that qualification determinations have been made without bias and that all arm's length sales were made available for the measurement of real property in the county.

A review of the statistical profile for Franklin County reveals a sample of only 17 sales. Both the measures of central tendency and the qualitative statistics are well outside the acceptable range. The county revalued all commercial parcels in 2012, at which time the calculated median of the commercial sales was 94%; with the removal of nine old sales and the addition of only three new sales, the median dropped 13 percentage points to 81%. Since the market for commercial property throughout the state has been relatively flat this past year and assessment processes have been uniformly applied within the class, this type of change in the statistics suggests that the market is too unorganized to rely upon statistical calculations from such a small sample.

After evaluating all available information, there is insufficient data with which to provide a specific estimate of the level of value of commercial property in Franklin County. Based on the verified practices of the county assessor, the level of value is believed to be in the acceptable range; assessment practices meet professionally accepted mass appraisal standards.

**2013 Correlation Section  
for Franklin County**

---

**B. Analysis of Sales Verification**

Neb. Rev. Stat. § 77-1327(2) (2011) provides that all sales are deemed to be arms length transactions unless determined to be otherwise under professionally accepted mass appraisal techniques. The county assessor is responsible for the qualification of the sales included in the state sales file.

The Standard on Ratio Studies, International Association of Assessing Officials (2010), indicates that excessive trimming (the arbitrary exclusion or adjustment of arms length transactions) may indicate an attempt to inappropriately exclude arms length transactions to create the appearance of a higher level of value and quality of assessment. The sales file, in a case of excess trimming, will fail to properly represent the level of value and quality of assessment of the population of real property.

The Nebraska Department of Revenue, Property Assessment Division (Division) frequently reviews the procedures used by the county assessor to qualify sales to ensure bias does not exist in judgments made. Arms length transactions should only be excluded when they compromise the reliability of the resulting statistics. In cases where a county assessor has disqualified sales without substantiation, the Division may include such sales in the ratio study.

## 2013 Correlation Section for Franklin County

---

### C. Measures of Central Tendency

There are three measures of central tendency calculated by the Division: median ratio, weighted mean ratio, and mean ratio. Since each measure of central tendency has strengths and weaknesses, the use of any statistic for equalization should be reconciled with the other two, as in an appraisal, based on the appropriateness of the use of the statistic for a defined purpose, the quantity of the information from which it was drawn, and the reliability of the data that was used in its calculation. An examination of the three measures can serve to illustrate important trends in the data if the measures do not closely correlate to each other.

The International Association of Assessing Officers (IAAO) considers the median ratio the most appropriate statistical measure for use in determining level of value for direct equalization; the process of adjusting the values of classes or subclasses of property in response to the determination of level of value at a point above or below a particular range. Since the median ratio is considered neutral in relationship to either assessed value or selling price, its use in adjusting the class or subclass of properties will not change the relationships between assessed value and level of value already present within the class or subclass of properties, thus rendering an adjustment neutral in its impact on the relative tax burden to an individual property. Additionally, the median ratio is less influenced by the presence of extreme ratios, commonly called outliers. One outlier in a small sample size of sales can have controlling influence over the other measures of central tendency. The median ratio limits the distortion potential of an outlier.

The weighted mean ratio is viewed by the IAAO as the most appropriate statistical measure for indirect equalization. The weighted mean, because it is a value weighted ratio, best reflects a comparison of the assessed and market value of property in the political subdivision. If the distribution of aid to political subdivisions must relate to the market value available for assessment in the political subdivision, the measurement of central tendency used to analyze level of value should reflect the dollars of value available to be assessed. The weighted mean ratio does that more than either of the other measures of central tendency.

If the weighted mean ratio, because of its dollar-weighting feature, is significantly different from the median ratio, it may be an indication of other problems with assessment proportionality. When this occurs, an evaluation of the county's assessment practices and procedures is appropriate to discover remedies to the situation.

The mean ratio is used as a basis for other statistical calculations, such as the price related differential and coefficient of variation. However, the mean ratio has limited application in the analysis of level of value because it assumes a normal distribution of the data set around the mean ratio with each ratio having the same impact on the calculation regardless of the assessed value or the selling price.

## 2013 Correlation Section for Franklin County

---

### D. Analysis of Quality of Assessment

In analyzing the statistical data of assessment quality, there are two measures upon which assessment officials will primarily rely: the Coefficient of Dispersion (COD), and the Price Related Differential (PRD). Whether such statistics can be relied upon as meaningful for the population depends on whether the sample is representative.

The COD is commonly referred to as the index of assessment inequality. It is used to measure how closely the individual ratios are clustered around the median ratio and suggests the degree of uniformity or inaccuracy resulting in the assessments. The COD is computed by dividing the average deviation by the median ratio. For example, a COD of 20 means half of the ratios are 20 percent above or below the median. The closer the ratios are grouped around the median, the more equitable the assessment of property tends to be. Conversely, if the dispersion is quite large, there is a large spread in the ratios typically indicating a large spread around the median in the assessment of property, which results in an inequity in assessment and taxes. There is no range of acceptability stated in the Nebraska statutes for the COD measure. The IAAO recommended ratio study performance standards are as follows:

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

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

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

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

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

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

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

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

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

**2013 Correlation Section  
for Franklin County**

---

high-value properties are over assessed in relation to low-value properties.

There is no range of acceptability stated in the Nebraska statutes for the PRD measure. The Standard on Ratio Studies, adopted by the International Association of Assessing Officers, January, 2010, recommends that the PRD should lie between 98 and 103. This range is centered slightly above 100 to allow for a slightly upward measurement bias inherent in the PRD.

The PRD is calculated based on the selling price/assessed value in the sales file. This measure can be misleading if the dollar value of the records in the sales file is not proportionate to the dollar value of records in the population.

Mass Appraisal of Real Property, International Association of Assessing Officers, (1999), p. 239.



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

A complete review of the rural improvements began during 2012. Changes to the parcels that were reviewed prior to March 19<sup>th</sup> were entered into the CAMA system; the rest will be completed by 2014. The pickup work was also completed, and new improvements were added as they were reported to or discovered by the County Assessor's Office.

Land use reviews were ongoing this year with the water situation in the Republican River Valley.

Spreadsheet analysis was completed on the agricultural land sales within Franklin County. All land values were adjusted. Irrigated values increased 20-25% in both market areas. Dry land increased 5-6% in both market areas; grass land increased about 16-19% in both market areas.

## 2013 Agricultural Assessment Survey for Franklin County

1.	<b>Valuation data collection done by:</b>	
	The assessor, staff and the contract appraiser	
2.	<b>List each market area, and describe the location and the specific characteristics that make each unique.</b>	
	Market Area	Description of unique characteristics
	01	Area south of the Bostwick Irrigation Ditch; some of the irrigated parcels in this area only receive water from the irrigation ditch. When water levels in Harlan County Reservoir are diminished, these parcels cannot be irrigated. In addition to the irrigation difficulties, the topography in area one is generally rougher than area two, making farming less desirable. This area does contain good native grasses and is more desirable for grazing than area two is.
	02	Area north of the Bostwick Irrigation Ditch, the irrigated land in this area is all well irrigated and is only under restrictions imposed by the Lower Republican Natural Resource District.
3.	<b>Describe the process used to determine and monitor market areas.</b>	
	The market areas are divided by the Bostwick Irrigation Ditch and were established based on water availability. The assessor stays informed of water issues in the region in analyzing the market areas. Annually ratio studies are also conducted to ensure the market areas are still appropriate.	
4.	<b>Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land.</b>	
	Sales are reviewed for recreational influence; however, no non-agricultural influences have been identified. The land along the Republican River is mainly comprised of farms that have been in families for over 100 years.	
5.	<b>Do farm home sites carry the same value as rural residential home sites? If not, what are the market differences?</b>	
	Farm home sites and rural residential home sites carry the same values, no market differences have been observed.	
6.	<b>Describe the process used to identify and monitor the influence of non-agricultural characteristics.</b>	
	Non-agricultural influences are monitored through FSA records, GIS analysis, physical inspection, observation, and landowner reporting.	
7.	<b>Have special valuation applications been filed in the county? If a value difference is recognized describe the process used to develop the uninfluenced value.</b>	
	No	
8.	<b>If applicable, describe the process used to develop assessed values for parcels enrolled in the Wetland Reserve Program.</b>	
	Lands enrolled in the Wetlands Reserve Program are valued using agricultural land sales; they are assessed at 100% of market value.	

**31 Franklin**  
**AGRICULTURAL LAND**

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

Qualified

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

Number of Sales : 53  
Total Sales Price : 16,642,115  
Total Adj. Sales Price : 16,505,615  
Total Assessed Value : 10,658,694  
Avg. Adj. Sales Price : 311,427  
Avg. Assessed Value : 201,107

MEDIAN : 72  
WGT. MEAN : 65  
MEAN : 73  
COD : 28.87  
PRD : 113.63

COV : 37.71  
STD : 27.67  
Avg. Abs. Dev : 20.88  
MAX Sales Ratio : 160.57  
MIN Sales Ratio : 24.59

95% Median C.I. : 62.11 to 78.90  
95% Wgt. Mean C.I. : 55.41 to 73.74  
95% Mean C.I. : 65.93 to 80.83

Printed:3/21/2013 4:36:32PM

**DATE OF SALE \***

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<u>Qtrts</u>											
01-OCT-09 To 31-DEC-09	4	82.66	90.00	82.86	24.87	108.62	62.11	132.58	N/A	129,500	107,300
01-JAN-10 To 31-MAR-10	6	98.70	97.98	98.15	14.73	99.83	60.91	137.13	60.91 to 137.13	286,179	280,882
01-APR-10 To 30-JUN-10	3	88.15	109.68	94.76	30.35	115.75	80.31	160.57	N/A	352,512	334,040
01-JUL-10 To 30-SEP-10	3	90.88	90.74	86.80	11.07	104.54	75.59	105.76	N/A	258,333	224,222
01-OCT-10 To 31-DEC-10	6	78.40	79.41	68.07	18.09	116.66	51.84	110.44	51.84 to 110.44	531,000	361,472
01-JAN-11 To 31-MAR-11	8	74.04	70.92	71.52	12.12	99.16	49.33	86.60	49.33 to 86.60	148,852	106,462
01-APR-11 To 30-JUN-11	5	72.33	72.14	67.54	20.49	106.81	50.60	107.08	N/A	158,467	107,033
01-JUL-11 To 30-SEP-11	2	67.69	67.69	67.65	00.50	100.06	67.35	68.03	N/A	201,500	136,305
01-OCT-11 To 31-DEC-11	5	56.22	58.48	58.52	17.31	99.93	46.77	75.23	N/A	336,100	196,687
01-JAN-12 To 31-MAR-12	5	40.27	37.97	35.10	11.57	108.18	28.42	44.55	N/A	319,609	112,168
01-APR-12 To 30-JUN-12	4	40.42	42.39	41.02	32.41	103.34	24.59	64.15	N/A	763,719	313,245
01-JUL-12 To 30-SEP-12	2	74.08	74.08	45.80	43.47	161.75	41.88	106.27	N/A	266,220	121,930
<u>Study Yrs</u>											
01-OCT-09 To 30-SEP-10	16	91.46	96.82	93.16	20.68	103.93	60.91	160.57	76.78 to 105.76	254,226	236,830
01-OCT-10 To 30-SEP-11	21	72.33	73.33	68.70	15.83	106.74	49.33	110.44	65.78 to 78.90	265,340	182,300
01-OCT-11 To 30-SEP-12	16	45.66	50.00	44.29	30.03	112.89	24.59	106.27	34.72 to 64.15	429,116	190,070
<u>Calendar Yrs</u>											
01-JAN-10 To 31-DEC-10	18	89.52	92.53	82.08	20.08	112.73	51.84	160.57	75.59 to 100.42	374,201	307,162
01-JAN-11 To 31-DEC-11	20	67.69	67.79	64.99	16.32	104.31	46.77	107.08	56.53 to 75.23	203,332	132,145
<u>ALL</u>	53	72.33	73.38	64.58	28.87	113.63	24.59	160.57	62.11 to 78.90	311,427	201,107

**AREA (MARKET)**

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
1	20	70.69	72.40	68.04	23.07	106.41	44.55	132.58	56.53 to 84.31	252,596	171,855
2	33	72.33	73.97	63.05	32.70	117.32	24.59	160.57	60.68 to 88.15	347,082	218,836
<u>ALL</u>	53	72.33	73.38	64.58	28.87	113.63	24.59	160.57	62.11 to 78.90	311,427	201,107

**31 Franklin**  
**AGRICULTURAL LAND**

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

Qualified

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

Number of Sales : 53  
 Total Sales Price : 16,642,115  
 Total Adj. Sales Price : 16,505,615  
 Total Assessed Value : 10,658,694  
 Avg. Adj. Sales Price : 311,427  
 Avg. Assessed Value : 201,107

MEDIAN : 72  
 WGT. MEAN : 65  
 MEAN : 73  
 COD : 28.87  
 PRD : 113.63

COV : 37.71  
 STD : 27.67  
 Avg. Abs. Dev : 20.88  
 MAX Sales Ratio : 160.57  
 MIN Sales Ratio : 24.59

95% Median C.I. : 62.11 to 78.90  
 95% Wgt. Mean C.I. : 55.41 to 73.74  
 95% Mean C.I. : 65.93 to 80.83

Printed:3/21/2013 4:36:32PM

**95%MLU By Market Area**

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<b>Irrigated</b>											
County	3	100.42	101.46	82.84	20.31	122.48	71.37	132.58	N/A	325,000	269,222
1	2	116.50	116.50	104.74	13.80	111.23	100.42	132.58	N/A	167,500	175,440
2	1	71.37	71.37	71.37	00.00	100.00	71.37	71.37	N/A	640,000	456,785
<b>Dry</b>											
County	8	64.36	62.44	58.35	27.41	107.01	34.72	88.53	34.72 to 88.53	299,021	174,469
2	8	64.36	62.44	58.35	27.41	107.01	34.72	88.53	34.72 to 88.53	299,021	174,469
<b>Grass</b>											
County	15	72.33	67.83	67.71	19.77	100.18	40.27	100.00	49.33 to 78.90	100,022	67,726
1	9	75.23	67.98	70.41	17.23	96.55	44.55	86.60	46.77 to 84.31	85,787	60,404
2	6	69.06	67.62	64.85	22.91	104.27	40.27	100.00	40.27 to 100.00	121,374	78,709
<b>ALL</b>	<b>53</b>	<b>72.33</b>	<b>73.38</b>	<b>64.58</b>	<b>28.87</b>	<b>113.63</b>	<b>24.59</b>	<b>160.57</b>	<b>62.11 to 78.90</b>	<b>311,427</b>	<b>201,107</b>

**80%MLU By Market Area**

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
<b>Irrigated</b>											
County	10	91.46	88.64	75.68	19.60	117.12	46.83	132.58	71.37 to 110.44	504,328	381,681
1	3	100.42	108.35	95.98	13.45	112.89	92.04	132.58	N/A	360,000	345,523
2	7	72.48	80.20	70.15	21.39	114.33	46.83	110.44	46.83 to 110.44	566,182	397,177
<b>Dry</b>											
County	8	64.36	62.44	58.35	27.41	107.01	34.72	88.53	34.72 to 88.53	299,021	174,469
2	8	64.36	62.44	58.35	27.41	107.01	34.72	88.53	34.72 to 88.53	299,021	174,469
<b>Grass</b>											
County	18	73.78	71.49	74.42	22.53	96.06	40.27	137.13	56.22 to 78.90	121,018	90,058
1	10	68.67	66.80	66.56	19.75	100.36	44.55	86.60	46.77 to 84.31	106,008	70,557
2	8	74.20	77.36	81.87	27.55	94.49	40.27	137.13	40.27 to 137.13	139,780	114,434
<b>ALL</b>	<b>53</b>	<b>72.33</b>	<b>73.38</b>	<b>64.58</b>	<b>28.87</b>	<b>113.63</b>	<b>24.59</b>	<b>160.57</b>	<b>62.11 to 78.90</b>	<b>311,427</b>	<b>201,107</b>

## Franklin County 2013 Average Acre Value Comparison

County	Mkt Area	1A1	1A	2A1	2A	3A1	3A	4A1	4A	AVG IRR
Franklin	1	2,593	2,599	2,335	2,328	1,710	1,671	1,710	1,698	2,331
Harlan	3	N/A	2,157	1,760	1,515	1,380	N/A	1,380	1,380	1,903
Franklin	2	3,040	3,049	2,898	2,883	2,362	2,133	2,337	2,293	2,866
Harlan	1	N/A	3,206	2,580	2,235	N/A	N/A	1,485	1,485	2,925
Harlan	2	2,995	2,820	2,335	2,030	1,687	1,544	1,485	1,485	2,424
Webster	1	2,475	2,475	2,475	2,475	2,430	2,430	2,430	2,430	2,453
Phelps	1	2,806	3,800	3,000	2,798	2,500	2,400	2,300	2,100	3,526
Kearney	1	N/A	3,585	2,930	2,675	1,780	1,210	1,210	910	2,932
Adams	4000	4,190	4,090	3,625	3,190	2,595	2,570	2,370	2,130	3,787

County	Mkt Area	1D1	1D	2D1	2D	3D1	3D	4D1	4D	AVG DRY
Franklin	1	1,125	1,125	1,055	900	830	795	750	750	941
Harlan	3	0	1,172	985	955	N/A	N/A	815	815	1,081
Franklin	2	1,485	1,485	1,255	1,255	1,130	1,020	975	975	1,343
Harlan	1	N/A	1,554	1,380	1,370	N/A	N/A	935	935	1,448
Harlan	2	1,180	1,165	980	955	825	808	815	815	1,083
Webster	1	1,600	1,600	1,600	1,500	1,500	1,500	1,450	1,450	1,545
Phelps	1	1,400	1,400	1,200	1,100	1,050	1,000	900	800	1,277
Kearney	1	N/A	1,600	1,500	1,400	850	650	650	500	1,348
Adams	4000	2,075	2,075	1,755	1,595	1,595	1,595	1,450	1,450	1,902

County	Mkt Area	1G1	1G	2G1	2G	3G1	3G	4G1	4G	AVG GRASS
Franklin	1	710	675	675	675	675	675	675	675	675
Harlan	3	N/A	601	614	600	N/A	N/A	601	600	601
Franklin	2	815	805	725	710	700	700	650	650	670
Harlan	1	N/A	600	600	600	N/A	N/A	600	600	600
Harlan	2	N/A	600	600	600	600	600	600	600	600
Webster	1	765	765	765	765	765	765	765	765	765
Phelps	1	750	925	1,127	813	728	726	639	530	708
Kearney	1	N/A	600	600	600	600	600	600	550	592
Adams	4000	945	945	945	885	760	760	760	760	818

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



## 2013 Correlation Section for Franklin County

---

### A. Agricultural Land

Franklin County is in the Republican River Basin; the county is divided into two market areas which are partly defined by differences in water availability. The majority of area two in the northern part of the county is plains land, with good quality farmland. As you move south through the county the land transitions from plains to rolling plains and breaks; area one entirely consists of this type of land. Area one is primarily pasture land with good native grasses; the farmland consists of equal amounts of irrigation and dry land. Harlan and Webster Counties are considered to be the most comparable to Franklin County. Phelps, Kearney, and Adams County are characteristically similar to the plains found in northern Franklin County; however, these counties are not subject to water restrictions, and therefore only dry and grassland can be considered comparable.

Analysis of sales in the county indicated that neither market area contained a representative mix of land uses; both samples were too small to be reliable. Additionally, the area two sample was disproportionate by study period year. The samples were expanded using sales from the defined comparable area. The area one sample remains smaller than desired, particularly in the subclasses; all other prescribed thresholds were achieved.

Assessment actions taken for 2013 include adjustments to irrigated and grasslands that are typical for the agricultural market in this region of the state. While the majority land use subclasses are both too small to provide reliable measurement indicators, the irrigated and grassland values compare well to both Harlan and Webster Counties supporting that the values are acceptable.

Dry land was only adjusted 5% in each market area; this adjustment is lower than expected given the movement in the agricultural market within the past year. When non-typical adjustments are made, analysis of past assessment actions and comparison of surrounding county values can provide additional information to aid in determining whether an acceptable level of value has been achieved.

Comparison of adjoining county values shows that Franklin county's area two values are somewhat lower than Harlan County area one but higher than Harlan County area two. This is the typical relationship of values among these market areas; the irrigated values have the same relationship. Comparing Franklin County's area one values to Harlan County's area three values shows Franklin County's LCG values are 4-9% lower than Harlan's. Analysis of values since 2005 shows Franklin County's area one values have not before been lower than Harlan County area three.

Past assessment actions show that since 2008 when the market started increasing significantly, Franklin County's dry land increases have been about 10% higher than Harlan County's adjustment. It is somewhat realistic that Franklin County could have a slightly smaller adjustment in 2013; however, since the market for cropland in this area appears to have appreciated about 25% in the past year, an increase in excess of 5% would still be expected.

Conversation with the Franklin County Assessor revealed that the adjustment to value was

**2013 Correlation Section  
for Franklin County**

---

based solely on the sample of sales within Franklin County; the samples within Franklin County are quite small and there were no dry land sales in the area one sample. When analysis is limited to the statistics produced from small samples of sales, adjustments rarely reflect the movement of the overall market. These actions pose concern about assessment uniformity and will likely result in a future adjustment to dry land that is above the annual market movement. While dry land in area one is believed to be slightly low, there is insufficient information with which to estimate an adjustment to the subclass.

Based on the consideration of all available information, the level of value of agricultural land in Franklin County is 72%.

**B. Analysis of Sales Verification**

Neb. Rev. Stat. § 77-1327(2) (2011) provides that all sales are deemed to be arms length transactions unless determined to be otherwise under professionally accepted mass appraisal techniques. The county assessor is responsible for the qualification of the sales included in the state sales file.

The Standard on Ratio Studies, International Association of Assessing Officials (2010), indicates that excessive trimming (the arbitrary exclusion or adjustment of arms length transactions) may indicate an attempt to inappropriately exclude arms length transactions to create the appearance of a higher level of value and quality of assessment. The sales file, in a case of excess trimming, will fail to properly represent the level of value and quality of assessment of the population of real property.

The Nebraska Department of Revenue, Property Assessment Division (Division) frequently reviews the procedures used by the county assessor to qualify sales to ensure bias does not exist in judgments made. Arms length transactions should only be excluded when they compromise the reliability of the resulting statistics. In cases where a county assessor has disqualified sales without substantiation, the Division may include such sales in the ratio study.

## 2013 Correlation Section for Franklin County

---

### C. Measures of Central Tendency

There are three measures of central tendency calculated by the Division: median ratio, weighted mean ratio, and mean ratio. Since each measure of central tendency has strengths and weaknesses, the use of any statistic for equalization should be reconciled with the other two, as in an appraisal, based on the appropriateness of the use of the statistic for a defined purpose, the quantity of the information from which it was drawn, and the reliability of the data that was used in its calculation. An examination of the three measures can serve to illustrate important trends in the data if the measures do not closely correlate to each other.

The International Association of Assessing Officers (IAAO) considers the median ratio the most appropriate statistical measure for use in determining level of value for direct equalization; the process of adjusting the values of classes or subclasses of property in response to the determination of level of value at a point above or below a particular range. Since the median ratio is considered neutral in relationship to either assessed value or selling price, its use in adjusting the class or subclass of properties will not change the relationships between assessed value and level of value already present within the class or subclass of properties, thus rendering an adjustment neutral in its impact on the relative tax burden to an individual property. Additionally, the median ratio is less influenced by the presence of extreme ratios, commonly called outliers. One outlier in a small sample size of sales can have controlling influence over the other measures of central tendency. The median ratio limits the distortion potential of an outlier.

The weighted mean ratio is viewed by the IAAO as the most appropriate statistical measure for indirect equalization. The weighted mean, because it is a value weighted ratio, best reflects a comparison of the assessed and market value of property in the political subdivision. If the distribution of aid to political subdivisions must relate to the market value available for assessment in the political subdivision, the measurement of central tendency used to analyze level of value should reflect the dollars of value available to be assessed. The weighted mean ratio does that more than either of the other measures of central tendency.

If the weighted mean ratio, because of its dollar-weighting feature, is significantly different from the median ratio, it may be an indication of other problems with assessment proportionality. When this occurs, an evaluation of the county's assessment practices and procedures is appropriate to discover remedies to the situation.

The mean ratio is used as a basis for other statistical calculations, such as the price related differential and coefficient of variation. However, the mean ratio has limited application in the analysis of level of value because it assumes a normal distribution of the data set around the mean ratio with each ratio having the same impact on the calculation regardless of the assessed value or the selling price.

## 2013 Correlation Section for Franklin County

---

### D. Analysis of Quality of Assessment

In analyzing the statistical data of assessment quality, there are two measures upon which assessment officials will primarily rely: the Coefficient of Dispersion (COD), and the Price Related Differential (PRD). Whether such statistics can be relied upon as meaningful for the population depends on whether the sample is representative.

The COD is commonly referred to as the index of assessment inequality. It is used to measure how closely the individual ratios are clustered around the median ratio and suggests the degree of uniformity or inaccuracy resulting in the assessments. The COD is computed by dividing the average deviation by the median ratio. For example, a COD of 20 means half of the ratios are 20 percent above or below the median. The closer the ratios are grouped around the median, the more equitable the assessment of property tends to be. Conversely, if the dispersion is quite large, there is a large spread in the ratios typically indicating a large spread around the median in the assessment of property, which results in an inequity in assessment and taxes. There is no range of acceptability stated in the Nebraska statutes for the COD measure. The IAAO recommended ratio study performance standards are as follows:

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

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

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

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

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

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

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

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

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

**2013 Correlation Section  
for Franklin County**

---

high-value properties are over assessed in relation to low-value properties.

There is no range of acceptability stated in the Nebraska statutes for the PRD measure. The Standard on Ratio Studies, adopted by the International Association of Assessing Officers, January, 2010, recommends that the PRD should lie between 98 and 103. This range is centered slightly above 100 to allow for a slightly upward measurement bias inherent in the PRD.

The PRD is calculated based on the selling price/assessed value in the sales file. This measure can be misleading if the dollar value of the records in the sales file is not proportionate to the dollar value of records in the population.

Mass Appraisal of Real Property, International Association of Assessing Officers, (1999), p. 239.



<b>Total Real Property</b> Sum Lines 17, 25, & 30	<b>Records : 4,789</b>	<b>Value : 613,195,996</b>	<b>Growth 2,627,295</b>	<b>Sum Lines 17, 25, &amp; 41</b>
--	------------------------	----------------------------	-------------------------	-----------------------------------

Schedule I : Non-Agricultural Records

	Urban		SubUrban		Rural		Total		Growth
	Records	Value	Records	Value	Records	Value	Records	Value	
<b>01. Res UnImp Land</b>	406	437,835	0	0	0	0	406	437,835	
<b>02. Res Improve Land</b>	1,220	2,532,555	0	0	0	0	1,220	2,532,555	
<b>03. Res Improvements</b>	1,228	35,964,055	0	0	8	461,885	1,236	36,425,940	
<b>04. Res Total</b>	1,634	38,934,445	0	0	8	461,885	1,642	39,396,330	451,695
<b>% of Res Total</b>	99.51	98.83	0.00	0.00	0.49	1.17	34.29	6.42	17.19
<b>05. Com UnImp Land</b>	100	156,185	0	0	18	27,995	118	184,180	
<b>06. Com Improve Land</b>	208	525,060	0	0	13	68,100	221	593,160	
<b>07. Com Improvements</b>	219	11,575,895	2	242,595	14	3,343,185	235	15,161,675	
<b>08. Com Total</b>	319	12,257,140	2	242,595	32	3,439,280	353	15,939,015	286,985
<b>% of Com Total</b>	90.37	76.90	0.57	1.52	9.07	21.58	7.37	2.60	10.92
<b>09. Ind UnImp Land</b>	3	10,630	0	0	0	0	3	10,630	
<b>10. Ind Improve Land</b>	5	23,405	0	0	0	0	5	23,405	
<b>11. Ind Improvements</b>	5	129,565	0	0	0	0	5	129,565	
<b>12. Ind Total</b>	8	163,600	0	0	0	0	8	163,600	0
<b>% of Ind Total</b>	100.00	100.00	0.00	0.00	0.00	0.00	0.17	0.03	0.00
<b>13. Rec UnImp Land</b>	0	0	0	0	0	0	0	0	
<b>14. Rec Improve Land</b>	0	0	0	0	1	140,910	1	140,910	
<b>15. Rec Improvements</b>	0	0	0	0	1	29,095	1	29,095	
<b>16. Rec Total</b>	0	0	0	0	1	170,005	1	170,005	0
<b>% of Rec Total</b>	0.00	0.00	0.00	0.00	100.00	100.00	0.02	0.03	0.00
<b>Res &amp; Rec Total</b>	1,634	38,934,445	0	0	9	631,890	1,643	39,566,335	451,695
<b>% of Res &amp; Rec Total</b>	99.45	98.40	0.00	0.00	0.55	1.60	34.31	6.45	17.19
<b>Com &amp; Ind Total</b>	327	12,420,740	2	242,595	32	3,439,280	361	16,102,615	286,985
<b>% of Com &amp; Ind Total</b>	90.58	77.13	0.55	1.51	8.86	21.36	7.54	2.63	10.92
<b>17. Taxable Total</b>	1,961	51,355,185	2	242,595	41	4,071,170	2,004	55,668,950	738,680
<b>% of Taxable Total</b>	97.85	92.25	0.10	0.44	2.05	7.31	41.85	9.08	28.12

Schedule II : Tax Increment Financing (TIF)

	Urban			SubUrban		
	Records	Value Base	Value Excess	Records	Value Base	Value Excess
18. Residential	0	0	0	0	0	0
19. Commercial	0	0	0	0	0	0
20. Industrial	0	0	0	0	0	0
21. Other	0	0	0	0	0	0
	Rural			Total		
	Records	Value Base	Value Excess	Records	Value Base	Value Excess
18. Residential	0	0	0	0	0	0
19. Commercial	0	0	0	0	0	0
20. Industrial	0	0	0	0	0	0
21. Other	0	0	0	0	0	0
22. Total Sch II				0	0	0

Schedule III : Mineral Interest Records

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

Schedule IV : Exempt Records : Non-Agricultural

	Urban Records	SubUrban Records	Rural Records	Total Records
26. Exempt	261	0	306	567

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	73	640,075	0	0	1,919	367,670,375	1,992	368,310,450
28. Ag-Improved Land	15	110,975	0	0	729	143,996,950	744	144,107,925
29. Ag Improvements	11	297,410	0	0	782	44,811,261	793	45,108,671
30. Ag Total							2,785	557,527,046

Schedule VI : Agricultural Records :Non-Agricultural Detail

	Urban			SubUrban			Growth
	Records	Acres	Value	Records	Acres	Value	
31. HomeSite UnImp Land	3	1.69	8,000	0	0.00	0	
32. HomeSite Improv Land	9	2.00	22,780	0	0.00	0	
33. HomeSite Improvements	7	0.00	222,225	0	0.00	0	
34. HomeSite Total							
35. FarmSite UnImp Land	1	0.36	180	0	0.00	0	
36. FarmSite Improv Land	3	12.79	12,290	0	0.00	0	
37. FarmSite Improvements	11	0.00	75,185	0	0.00	0	
38. FarmSite Total							
39. Road & Ditches	3	9.64	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	174	169.75	580,350	177	171.44	588,350	
32. HomeSite Improv Land	483	479.25	4,856,100	492	481.25	4,878,880	
33. HomeSite Improvements	490	0.00	29,300,210	497	0.00	29,522,435	123,245
34. HomeSite Total				<b>674</b>	<b>652.69</b>	<b>34,989,665</b>	
35. FarmSite UnImp Land	72	256.76	185,265	73	257.12	185,445	
36. FarmSite Improv Land	555	2,220.30	1,341,200	558	2,233.09	1,353,490	
37. FarmSite Improvements	728	0.00	15,511,051	739	0.00	15,586,236	1,765,370
38. FarmSite Total				<b>812</b>	<b>2,490.21</b>	<b>17,125,171</b>	
39. Road & Ditches	2,080	5,939.73	0	2,083	5,949.37	0	
40. Other- Non Ag Use	1	0.64	2,500	1	0.64	2,500	
41. Total Section VI				<b>1,486</b>	<b>9,092.91</b>	<b>52,117,336</b>	<b>1,888,615</b>

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

	Urban			SubUrban		
	Records	Acres	Value	Records	Acres	Value
42. Game & Parks	0	0.00	0	0	0.00	0
	Rural			Total		
	Records	Acres	Value	Records	Acres	Value
42. Game & Parks	0	0.00	0	0	0.00	0

Schedule VIII : Agricultural Records : Special Value

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

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

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 1

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	2,923.28	16.72%	7,579,710	18.60%	2,592.88
46. 1A	4,686.49	26.81%	12,178,460	29.88%	2,598.63
47. 2A1	3,860.74	22.08%	9,013,190	22.11%	2,334.58
48. 2A	2,851.02	16.31%	6,638,005	16.29%	2,328.29
49. 3A1	596.43	3.41%	1,019,900	2.50%	1,710.01
50. 3A	1,244.67	7.12%	2,079,405	5.10%	1,670.65
51. 4A1	593.31	3.39%	1,014,550	2.49%	1,709.98
52. 4A	727.18	4.16%	1,234,420	3.03%	1,697.54
<b>53. Total</b>	<b>17,483.12</b>	<b>100.00%</b>	<b>40,757,640</b>	<b>100.00%</b>	<b>2,331.26</b>
<b>Dry</b>					
54. 1D1	695.93	4.02%	782,965	4.80%	1,125.06
55. 1D	6,736.47	38.88%	7,578,760	46.47%	1,125.03
56. 2D1	1,100.29	6.35%	1,160,795	7.12%	1,054.99
57. 2D	1,006.32	5.81%	905,690	5.55%	900.00
58. 3D1	193.71	1.12%	160,770	0.99%	829.95
59. 3D	551.02	3.18%	438,050	2.69%	794.98
60. 4D1	4,130.66	23.84%	3,098,345	19.00%	750.08
61. 4D	2,910.07	16.80%	2,183,260	13.39%	750.24
<b>62. Total</b>	<b>17,324.47</b>	<b>100.00%</b>	<b>16,308,635</b>	<b>100.00%</b>	<b>941.36</b>
<b>Grass</b>					
63. 1G1	295.23	0.39%	209,605	0.41%	709.97
64. 1G	5,052.44	6.62%	3,410,430	6.61%	675.01
65. 2G1	998.95	1.31%	674,315	1.31%	675.02
66. 2G	2,786.41	3.65%	1,880,865	3.65%	675.01
67. 3G1	3.97	0.01%	2,680	0.01%	675.06
68. 3G	4,398.07	5.76%	2,968,730	5.76%	675.01
69. 4G1	18,139.89	23.75%	12,244,550	23.75%	675.01
70. 4G	44,697.36	58.53%	30,171,500	58.51%	675.02
<b>71. Total</b>	<b>76,372.32</b>	<b>100.00%</b>	<b>51,562,675</b>	<b>100.00%</b>	<b>675.15</b>
<b>Irrigated Total</b>					
<b>Irrigated Total</b>	<b>17,483.12</b>	<b>15.30%</b>	<b>40,757,640</b>	<b>37.41%</b>	<b>2,331.26</b>
<b>Dry Total</b>					
<b>Dry Total</b>	<b>17,324.47</b>	<b>15.16%</b>	<b>16,308,635</b>	<b>14.97%</b>	<b>941.36</b>
<b>Grass Total</b>					
<b>Grass Total</b>	<b>76,372.32</b>	<b>66.83%</b>	<b>51,562,675</b>	<b>47.33%</b>	<b>675.15</b>
72. Waste	3,107.05	2.72%	311,050	0.29%	100.11
73. Other	0.00	0.00%	0	0.00%	0.00
74. Exempt	1.86	0.00%	0	0.00%	0.00
<b>75. Market Area Total</b>	<b>114,286.96</b>	<b>100.00%</b>	<b>108,940,000</b>	<b>100.00%</b>	<b>953.21</b>

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

Market Area 2

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	883.68	0.93%	2,686,605	0.99%	3,040.25
46. 1A	65,245.06	68.75%	198,910,815	73.14%	3,048.67
47. 2A1	2,373.43	2.50%	6,877,215	2.53%	2,897.58
48. 2A	4,485.46	4.73%	12,929,785	4.75%	2,882.60
49. 3A1	1,014.84	1.07%	2,397,040	0.88%	2,361.99
50. 3A	481.33	0.51%	1,026,775	0.38%	2,133.20
51. 4A1	7,317.19	7.71%	17,102,320	6.29%	2,337.28
52. 4A	13,099.02	13.80%	30,036,945	11.04%	2,293.07
53. Total	94,900.01	100.00%	271,967,500	100.00%	2,865.83
<b>Dry</b>					
54. 1D1	153.60	0.34%	228,095	0.37%	1,484.99
55. 1D	30,416.13	66.46%	45,168,065	73.47%	1,485.00
56. 2D1	1,213.15	2.65%	1,522,530	2.48%	1,255.02
57. 2D	2,960.55	6.47%	3,715,540	6.04%	1,255.02
58. 3D1	529.09	1.16%	597,895	0.97%	1,130.04
59. 3D	177.04	0.39%	180,570	0.29%	1,019.94
60. 4D1	5,000.82	10.93%	4,875,930	7.93%	975.03
61. 4D	5,319.07	11.62%	5,186,270	8.44%	975.03
62. Total	45,769.45	100.00%	61,474,895	100.00%	1,343.14
<b>Grass</b>					
63. 1G1	18.77	0.02%	15,295	0.02%	814.86
64. 1G	8,406.00	8.96%	6,766,800	10.77%	805.00
65. 2G1	1,582.10	1.69%	1,147,045	1.83%	725.01
66. 2G	2,242.13	2.39%	1,591,910	2.53%	710.00
67. 3G1	747.16	0.80%	523,020	0.83%	700.01
68. 3G	5,296.97	5.65%	3,707,900	5.90%	700.00
69. 4G1	14,897.19	15.88%	9,683,460	15.41%	650.02
70. 4G	60,625.31	64.62%	39,408,520	62.71%	650.03
71. Total	93,815.63	100.00%	62,843,950	100.00%	669.87
<b>Irrigated Total</b>					
	94,900.01	40.16%	271,967,500	68.60%	2,865.83
<b>Dry Total</b>					
	45,769.45	19.37%	61,474,895	15.51%	1,343.14
<b>Grass Total</b>					
	93,815.63	39.70%	62,843,950	15.85%	669.87
72. Waste	1,808.90	0.77%	183,365	0.05%	101.37
73. Other	0.00	0.00%	0	0.00%	0.00
74. Exempt	0.00	0.00%	0	0.00%	0.00
75. Market Area Total	236,293.99	100.00%	396,469,710	100.00%	1,677.87

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
<b>76. Irrigated</b>	148.70	420,600	0.00	0	112,234.43	312,304,540	112,383.13	312,725,140
<b>77. Dry Land</b>	173.80	200,350	0.00	0	62,920.12	77,583,180	63,093.92	77,783,530
<b>78. Grass</b>	124.26	85,835	0.00	0	170,063.69	114,320,790	170,187.95	114,406,625
<b>79. Waste</b>	10.15	1,015	0.00	0	4,905.80	493,400	4,915.95	494,415
<b>80. Other</b>	0.00	0	0.00	0	0.00	0	0.00	0
<b>81. Exempt</b>	0.00	0	0.00	0	1.86	0	1.86	0
<b>82. Total</b>	<b>456.91</b>	<b>707,800</b>	<b>0.00</b>	<b>0</b>	<b>350,124.04</b>	<b>504,701,910</b>	<b>350,580.95</b>	<b>505,409,710</b>

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
<b>Irrigated</b>	112,383.13	32.06%	312,725,140	61.88%	2,782.67
<b>Dry Land</b>	63,093.92	18.00%	77,783,530	15.39%	1,232.82
<b>Grass</b>	170,187.95	48.54%	114,406,625	22.64%	672.24
<b>Waste</b>	4,915.95	1.40%	494,415	0.10%	100.57
<b>Other</b>	0.00	0.00%	0	0.00%	0.00
<b>Exempt</b>	1.86	0.00%	0	0.00%	0.00
<b>Total</b>	<b>350,580.95</b>	<b>100.00%</b>	<b>505,409,710</b>	<b>100.00%</b>	<b>1,441.63</b>

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

### 31 Franklin

	2012 CTL County Total	2013 Form 45 County Total	Value Difference (2013 form 45 - 2012 CTL)	Percent Change	2013 Growth (New Construction Value)	Percent Change excl. Growth
01. Residential	39,010,705	39,396,330	385,625	0.99%	451,695	-0.17%
02. Recreational	169,440	170,005	565	0.33%	0	0.33%
03. Ag-Homesite Land, Ag-Res Dwelling	34,376,610	34,989,665	613,055	1.78%	123,245	1.42%
<b>04. Total Residential (sum lines 1-3)</b>	<b>73,556,755</b>	<b>74,556,000</b>	<b>999,245</b>	<b>1.36%</b>	<b>574,940</b>	<b>0.58%</b>
05. Commercial	15,824,760	15,939,015	114,255	0.72%	286,985	-1.09%
06. Industrial	163,600	163,600	0	0.00%	0	0.00%
07. Ag-Farmsite Land, Outbuildings	15,643,150	17,125,171	1,482,021	9.47%	1,765,370	-1.81%
08. Minerals	0	0	0		0	
<b>09. Total Commercial (sum lines 5-8)</b>	<b>31,631,510</b>	<b>33,227,786</b>	<b>1,596,276</b>	<b>5.05%</b>	<b>2,052,355</b>	<b>-1.44%</b>
<b>10. Total Non-Agland Real Property</b>	<b>105,188,265</b>	<b>107,786,286</b>	<b>2,598,021</b>	<b>2.47%</b>	<b>2,627,295</b>	<b>-0.03%</b>
11. Irrigated	256,054,215	312,725,140	56,670,925	22.13%		
12. Dryland	73,598,740	77,783,530	4,184,790	5.69%		
13. Grassland	96,833,785	114,406,625	17,572,840	18.15%		
14. Wasteland	373,275	494,415	121,140	32.45%		
15. Other Agland	2,500	0	-2,500	-100.00%		
<b>16. Total Agricultural Land</b>	<b>426,862,515</b>	<b>505,409,710</b>	<b>78,547,195</b>	<b>18.40%</b>		
<b>17. Total Value of all Real Property</b> (Locally Assessed)	<b>532,050,780</b>	<b>613,195,996</b>	<b>81,145,216</b>	<b>15.25%</b>	<b>2,627,295</b>	<b>14.76%</b>

**2012 Plan of Assessment for Franklin County  
Assessment Years 2013, 2014, and 2015  
Date: June 15, 2012**

**Plan of Assessment Requirements:**

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

**Real Property Assessment Requirements:**

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

Assessment levels required for real property are as follows: Reference, Neb. Rev. Stat. 77-201 (R.S. Supp 2007)

- 1) 100% of actual value for all classes of real property excluding agricultural and horticultural land;
- 2) 75% of actual value for agricultural and horticultural land and
- 3) 75% of special value for agricultural and horticultural land which meets the qualifications for special valuation under 77-1344.

General Description of Real Property in Franklin County:

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

	Parcels	% of Total Parcels	% of Taxable Value Base
Residential	1,641	34%	8%
Commercial	369		0.5%
Industrial	8		0.5%
Agricultural	2,759		58%
Recreational	1		0.5%
Special Value			88%

Agricultural land -taxable acres 350,626

Other pertinent facts: 88% of Franklin County is agricultural and of that 32% Irrigated, 18% Dry, 49% Pasture, 1% Waste, 7% Residential, 3% Commercial, Industrial, and Recreational, 1 % Exempt.

New Property: For assessment year 2012, an estimated 95 building permits and / or information statements were filed for new property construction/additions in the county.

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

Current Resources:

- A. Staffing consists of a Deputy and a Clerk. The Assessor and Deputy, and Clerk take the training that is necessary to keep their certificates current. The budget for 2011-2012 was \$101,514.
- B. A new set of cadastral maps were printed in 2008. Ownership and splits are kept current. In 2000 we purchased a GIS program for the all property in the county. In 2010, a CD was purchased from the FSA office to check the land usage on the GIS program,
- C. The property record cards are color coded for Agricultural, Residential, Commercial, Improvements on Leased Land and Exempt. The cards that have Residential, Commercial, Industrial, or Agricultural improvements have a CAMA pricing sheet, current photo, and a sketch of the house or business. All rural cards have a print-out showing the number of acres, land use and current value per acre, improvement values and the prior year value; they also have an outbuilding printout that shows the building dimensions, depreciation and value.
- D. The software for pricing the improvements is MIPS. The Assessment Administration programming is from MIPS. GIS Workshop provides the programming and support for our GIS system.
- E. We have a Web site for property record information access. The address is nebraskataxesonline. us.

**Current Assessment Procedures for Real Property**

- A. The real estate transfers are photo copied as they are brought in from the Clerk's office to make a sales book that is available to the public. From the information on the real estate transfer statements the name on the real estate card, and the counter book are all changed and a sheet for the sales book is made. Building permits are received from the zoning manager and from the towns that have building permit ordinances. All sales are reviewed.
- B. Drive by reviews of the residential properties in town will be done on an annual basis. New photos will be taken every two years, or as the property is altered.
- C. Assessment sales ratio studies are done annually with new sales added, and old sales deleted.
- D. The market approach and the cost approach are used mainly for our residential properties; all three approaches are used on the commercial. Our information to determine value is arrayed by age, quality, size, location, condition and the amenities to the property. Land valuation studies are done by land usage. Sales are plotted by township and usage to determine market areas
- E. Reconciliation of final value and documentation is done by doing a ratio study using the sales in the sales file.
- F. Continual market analysis will be conducted in all categories of properties to ensure that the level of value and quality of assessment in Franklin County is in compliance to state statutes.
- G. Notices of valuation are mailed to every real estate owner each year. These notices show the number of acres of irrigated, dry, pasture and waste on the ag land notices.

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

Property Class	Median	COD*	PRD*
Residential	99.00%	27.63%	118.52%
Commercial	NEI		
Agricultural Land	73.00%	22.16%	106.30%
Special Value Agland			

\*COD means coefficient of dispersion and PRD means price related differential. For more information regarding statistical measures see 2011 Reports & Opinions.

**Assessment Actions Planned for the Assessment Year 2013:**

- 1 Residential properties will be reviewed and any new information discovered will be added or deleted from the property. New pictures will be taken when the property is updated.
- 2 Commercial properties will be reviewed and updated as necessary. New pictures will be taken when the property is updated..
- 3 Ag Land use will be checked using the information available from the FSA and NRD offices.
- 4 An inventory of Ag improvements will be started in the summer of 2012 with photos being taken as the sites are inventoried.
- 5 Ag Improvements will be repriced for 2014 using the new outbuilding pricing.
- 6 An inventory and pictures will be taken of all of the exempt property.

Assessment Action Planned for the Assessment Year 2014:

Residential properties will be reviewed and any new information discovered will be added to or deleted from the property. New pictures will be taken.

Commercial properties will be reviewed and updated as necessary.

Ag Land use will be checked using the information available from the FSA and NRD offices.

New values for the Ag Improvements will be added for 2014

Assessment Action Planned for the Assessment Year 2015:

Residential properties will be reviewed and any new information discovered will be added to or deleted from the property.

Commercial properties will be reviewed and updated as necessary.

Ag Land use will be checked using the information available from the FSA and NRD offices. Agricultural improvements will be checked.

Other functions performed by the assessor's office, but not limited to:

1. Record Maintenance, Mapping updates, and Ownership changes
2. Annually prepare and file Assessor Administrative Reports required by law/regulation:
  - a. Abstracts (Real Property)
  - b. Assessor Survey
  - c. Sales information to P A&T rosters and annual Assessed Value Update w/abstract
  - d. Certification of Value to Political Subdivisions
  - e. School District Taxable Value Report
  - f. Homestead Exemption Tax Loss Report (in conjunction with Treasurer)
  - g. Certificate of Taxes Levied Report
  - h. Report of current values for properties owned by Board of Education Land & Funds
    1. Report of all Exempt Property and Taxable Government Owned Property
  - J. Annual Plan of Assessment Report
3. Personal Property; administer annual filing of 825 schedules; prepare subsequent notices of incomplete filings or failure to file and penalties applied as required. Postcard notices are mailed to all persons or businesses filing schedules in the previous year. We will be adding the personal property schedules to the new program from MIPS for 2013 which will allow electronic filing of personal property schedules.
4. Permissive Exemptions: administer annual filings of applications for new or continued exempt use, review and make recommendations to county board. **Applications are mailed to those that have an application on file.**
5. Taxable Government Owned Property -annual review of government owned property not used for public purpose, send notices of intent to tax, etc.
6. Homestead Exemptions: administer 250 annual filings of applications, approval/denial process,

taxpayer notifications and taxpayer assistance. **Pre printed forms are mailed to the previous years applicants.**

7. Centrally Assessed -review of valuations as certified by PA&T for railroads and public service entities, establish assessment records and tax billing for tax list.
8. Tax Districts and Tax Rates -management of school district and other tax entity boundary changes necessary for correct assessment and tax information; input/review of tax rates used for tax billing process.
9. Tax lists; prepare and certify tax lists to county treasurer for real property, personal property, and centrally assessed
10. Tax List Corrections -prepare tax list correction documents for county board approval.
11. County Board of Equalization -attends county board of equalization meetings for valuation protests -assemble and provide information. View all properties protested.
12. TERC Appeals -prepare information and attend taxpayer appeal hearings before TERC, defend valuation
13. TERC Statewide Equalization -attend hearings if applicable to county, defend values, and/or implement orders of the TERC.
14. Education: Assessor and/or Appraisal Education -attend meetings, workshops, and educational classes to obtain required hours of continuing education to maintain assessor certification.

### **Conclusion**

A request for \$103,916.79 for the Assessor's office and \$66,600 for the Appraisal Fund was submitted to the Franklin County Board of Supervisors for Approval for the 2012-2013 budget year.

The Franklin County Assessor's office will work to maintain an efficient and professional office.

Respectfully submitted:

Assessor Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## 2013 Assessment Survey for Franklin County

### A. Staffing and Funding Information

1.	<b>Deputy(ies) on staff:</b>
	1
2.	<b>Appraiser(s) on staff:</b>
	0
3.	<b>Other full-time employees:</b>
	1
4.	<b>Other part-time employees:</b>
	0
5.	<b>Number of shared employees:</b>
	0
6.	<b>Assessor's requested budget for current fiscal year:</b>
	\$103,918
7.	<b>Adopted budget, or granted budget if different from above:</b>
	Same
8.	<b>Amount of the total assessor's budget set aside for appraisal work:</b>
	n/a
9.	<b>If appraisal/reappraisal budget is a separate levied fund, what is that amount:</b>
	\$66,600
10.	<b>Part of the assessor's budget that is dedicated to the computer system:</b>
	The budget for the computer system comes from the county general fund.
11.	<b>Amount of the assessor's budget set aside for education/workshops:</b>
	\$1500
12.	<b>Other miscellaneous funds:</b>
	n/a
13.	<b>Amount of last year's assessor's budget not used:</b>
	\$3,381

### B. Computer, Automation Information and GIS

1.	<b>Administrative software:</b>
	MIPS PC v2
2.	<b>CAMA software:</b>
	MIPS PC v2
3.	<b>Are cadastral maps currently being used?</b>
	Yes
4.	<b>If so, who maintains the Cadastral Maps?</b>
	The Assessor & staff
5.	<b>Does the county have GIS software?</b>
	Yes
6.	<b>Is GIS available to the public? If so, what is the web address?</b>

	No
7.	<b>Who maintains the GIS software and maps?</b>
	The maintenance for the GIS system is shared between the vendor and the Assessor and staff.
8.	<b>Personal Property software:</b>
	MIPS PC v2

### C. Zoning Information

1.	<b>Does the county have zoning?</b>
	Yes
2.	<b>If so, is the zoning countywide?</b>
	Yes
3.	<b>What municipalities in the county are zoned?</b>
	Franklin & Hildreth
4.	<b>When was zoning implemented?</b>
	2000

### D. Contracted Services

1.	<b>Appraisal Services:</b>
	Knoche Appraisal & Consulting LLC
2.	<b>GIS Services:</b>
	GIS Workshop, Inc.
3.	<b>Other services:</b>
	n/a

### E. Appraisal /Listing Services

1.	<b>Does the county employ outside help for appraisal or listing services?</b>
	Yes
2.	<b>If so, is the appraisal or listing service performed under contract?</b>
	Yes
3.	<b>What appraisal certifications or qualifications does the County require?</b>
	There are no requirements specified in the current contract.
4.	<b>Have the existing contracts been approved by the PTA?</b>
	Yes
5.	<b>Does the appraisal or listing service providers establish assessed values for the county?</b>
	Residential, commercial, and agricultural improvement values are established by both the appraiser and the assessor. The appraiser will generally complete all pickup work and help establish depreciation tables; the assessor will review the appraiser's recommendations and they will discuss adjustments if necessary. The assessor establishes all agricultural values.



# 2013 Certification for Franklin County

---

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

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

One copy by electronic transmission to the Franklin County Assessor.

Dated this 5th day of April, 2013.



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

---

Ruth A. Sorensen  
Property Tax Administrator



