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2013 Commission Summary for Hitchcock County

Residential Real Property - Current

Number of Sales	85	Median	97.54
Total Sales Price	\$4,483,371	Mean	101.49
Total Adj. Sales Price	\$4,482,371	Wgt. Mean	97.80
Total Assessed Value	\$4,383,610	Average Assessed Value of the Base	\$38,895
Avg. Adj. Sales Price	\$52,734	Avg. Assessed Value	\$51,572

Confidence Interval - Current

95% Median C.I	95.19 to 102.02
95% Wgt. Mean C.I	91.77 to 103.83
95% Mean C.I	96.47 to 106.51
% of Value of the Class of all Real Property Value in the	11.69
% of Records Sold in the Study Period	5.36
% of Value Sold in the Study Period	7.11

Residential Real Property - History

Year	Number of Sales	LOV	Median
2012	74	97	97.47
2011	79	96	96
2010	92	98	98
2009	89	97	97

2013 Commission Summary for Hitchcock County

Commercial Real Property - Current

Number of Sales	8	Median	98.06
Total Sales Price	\$163,085	Mean	104.70
Total Adj. Sales Price	\$163,085	Wgt. Mean	99.53
Total Assessed Value	\$162,315	Average Assessed Value of the Base	\$196,561
Avg. Adj. Sales Price	\$20,386	Avg. Assessed Value	\$20,289

Confidence Interval - Current

95% Median C.I	91.20 to 149.42
95% Wgt. Mean C.I	92.64 to 106.41
95% Mean C.I	88.42 to 120.98
% of Value of the Class of all Real Property Value in the County	7.71
% of Records Sold in the Study Period	3.86
% of Value Sold in the Study Period	0.40

Commercial Real Property - History

Year	Number of Sales	LOV	Median
2012	11		100.88
2011	19		93
2010	24	100	95
2009	23	97	97

2013 Opinions of the Property Tax Administrator for Hitchcock County

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

Class	Level of Value	Quality of Assessment	Non-binding recommendation
Residential Real Property	98	Meets generally accepted mass appraisal practices.	No recommendation.
Commercial Real Property	*NEI	Meets generally accepted mass appraisal practices.	No recommendation.
Agricultural Land	74	Meets generally accepted mass appraisal practices.	No recommendation.

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

Dated this 5th day of April, 2013.



Ruth A. Sorensen
Property Tax Administrator

2013 Residential Assessment Actions for Hitchcock County

Mobile homes at Goodlife Marina were physically inspected for 2013. The three year plan indicated that parcels within Culbertson would be inspected and that a small portion of Palisade that still needs reviewed would be completed. Since the Hitchcock County Board granted funding to contract for a commercial reappraisal, the commercial work was reprioritized for 2013, and the review of Culbertson and the remainder of Palisade will be rescheduled for 2014.

A sales study was conducted within the residential class; the study indicated that residential properties in Culbertson and Trenton were below the acceptable range while Stratton and Palisade were measuring above the acceptable range. There were few sales in the rural and North Shore Cabin area; however, these areas appeared to be near the lower end of the acceptable range.

In order to bring all valuation groupings into the acceptable range, a sales analysis was conducted. First, a land value study was conducted for each area and the land tables were adjusted accordingly. Next, the costing tables were updated to June 2012 and a depreciation study was conducted. The study indicated that the market in Culbertson and Trenton was similar as was the market in Stratton and Palisade. Therefore, two valuation groupings were developed for the residential parcels within the villages and two different depreciation models were established. A new depreciation table was also developed for each of the two areas at Swanson Lake. Only routine maintenance occurred for rural residential properties as well as mobile homes within the villages.

The pickup work was completed timely.

2013 Residential Assessment Survey for Hitchcock County

1.	Valuation data collection done by:	
	The assessor and the staff	
2.	List the valuation groupings recognized by the County and describe the unique characteristics of each:	
	<u>Valuation Grouping</u>	<u>Description of unique characteristics</u>
	01	Culbertson & Trenton – these communities are both within reasonable commuting distance to the City of McCook, where job opportunities are available. There are also several larger agricultural based businesses within these communities that provide employment opportunities. Both communities offer some basic services and amenities. There is one consolidated school system, within these communities; the elementary school is in Culbertson and the high school in Trenton. The residential market is fairly active in these communities.
	02	Stratton & Palisade – these are smaller communities with limited employment opportunities and amenities. Both Villages have very small elementary schools within them; however, older children commute outside of the county to Benkelman or Wauenta for school. There is less demand for housing in the communities and the market is more sporadic.
	03	Rural Residential – all parcels outside the four villages and not located around Swanson Lake. As is typical in this area, rural properties are in demand and will typically sell well.
	04	Laker’s North Shore & Swanson Lake Cabins – Recreational cabins at Swanson Reservoir.
3.	List and describe the approach(es) used to estimate the market value of residential properties.	
	Only the cost approach is used.	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	June 2012 is used for valuation groups 1, 2, and 4. March 2011 is used for valuation group 3.	
5.	If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor?	
	Depreciation studies are based on local market information.	
6.	Are individual depreciation tables developed for each valuation grouping?	
	Yes	
7.	When were the depreciation tables last updated for each valuation grouping?	
	2013 for groups 1, 2, and 4; 2012 for group 3	
8.	When was the last lot value study completed for each valuation grouping?	
	2013 for all valuation groupings	

9.	Describe the methodology used to determine the residential lot values?
	A price per square foot is used in the villages and at the lake, a price per acre is used for rural residential and for large acreages within city limits. The tables are developed using 3-5 years of vacant land sales within the county.

**44 Hitchcock
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 : 85
 Total Sales Price : 4,483,371
 Total Adj. Sales Price : 4,482,371
 Total Assessed Value : 4,383,610
 Avg. Adj. Sales Price : 52,734
 Avg. Assessed Value : 51,572

MEDIAN : 98
 WGT. MEAN : 98
 MEAN : 101
 COD : 16.18
 PRD : 103.77

COV : 23.24
 STD : 23.59
 Avg. Abs. Dev : 15.78
 MAX Sales Ratio : 206.61
 MIN Sales Ratio : 56.95

95% Median C.I. : 95.19 to 102.02
 95% Wgt. Mean C.I. : 91.77 to 103.83
 95% Mean C.I. : 96.47 to 106.51

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DATE OF SALE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
<u>Qtrts</u>												
01-OCT-10 To 31-DEC-10	7	95.19	94.26	96.07	10.04	98.12	70.96	113.93	70.96 to 113.93	38,536	37,021	
01-JAN-11 To 31-MAR-11	5	98.69	100.00	91.70	09.81	109.05	85.05	117.00	N/A	26,700	24,485	
01-APR-11 To 30-JUN-11	14	97.03	115.54	106.66	21.58	108.33	90.57	157.12	93.53 to 153.45	68,564	73,128	
01-JUL-11 To 30-SEP-11	12	97.85	108.37	99.89	26.61	108.49	58.84	206.61	78.17 to 143.37	45,545	45,495	
01-OCT-11 To 31-DEC-11	11	96.39	94.50	86.43	14.42	109.34	56.95	118.18	72.28 to 116.85	83,773	72,405	
01-JAN-12 To 31-MAR-12	13	96.60	99.08	105.31	13.14	94.08	71.08	129.89	88.10 to 119.65	51,964	54,722	
01-APR-12 To 30-JUN-12	11	99.86	93.50	90.02	15.34	103.87	66.59	116.32	66.64 to 112.42	39,190	35,280	
01-JUL-12 To 30-SEP-12	12	98.42	99.37	98.50	10.33	100.88	70.66	123.36	94.02 to 109.53	45,380	44,698	
<u>Study Yrs</u>												
01-OCT-10 To 30-SEP-11	38	97.03	107.31	102.18	19.68	105.02	58.84	206.61	95.19 to 105.00	50,255	51,350	
01-OCT-11 To 30-SEP-12	47	97.96	96.78	94.54	13.32	102.37	56.95	129.89	90.38 to 102.23	54,738	51,751	
<u>Calendar Yrs</u>												
01-JAN-11 To 31-DEC-11	42	97.29	106.13	97.16	19.83	109.23	56.95	206.61	95.62 to 106.67	60,987	59,253	
<u>ALL</u>	85	97.54	101.49	97.80	16.18	103.77	56.95	206.61	95.19 to 102.02	52,734	51,572	

VALUATION GROUPING											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
01	39	99.86	102.68	100.35	16.00	102.32	66.59	157.12	92.48 to 112.42	53,891	54,079	
02	30	97.97	105.74	105.50	15.47	100.23	58.84	206.61	94.62 to 106.59	35,449	37,400	
03	10	94.36	92.70	87.34	17.81	106.14	56.95	153.45	66.64 to 106.67	109,037	95,234	
04	6	87.11	87.09	88.27	13.74	98.66	70.66	104.30	70.66 to 104.30	37,797	33,363	
<u>ALL</u>	85	97.54	101.49	97.80	16.18	103.77	56.95	206.61	95.19 to 102.02	52,734	51,572	

PROPERTY TYPE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
01	75	97.96	102.63	98.50	16.14	104.19	56.95	206.61	95.19 to 102.23	55,501	54,671	
06	2	83.75	83.75	89.42	15.63	93.66	70.66	96.84	N/A	66,280	59,270	
07	8	96.79	95.23	87.98	16.42	108.24	66.59	126.32	66.59 to 126.32	23,403	20,590	
<u>ALL</u>	85	97.54	101.49	97.80	16.18	103.77	56.95	206.61	95.19 to 102.02	52,734	51,572	

**44 Hitchcock
RESIDENTIAL**

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 95% Wgt. Mean C.I. : 91.77 to 103.83
 95% Mean C.I. : 96.47 to 106.51

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SALE PRICE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
___ Low \$ Ranges ___												
Less Than 5,000												
Less Than 15,000	15	105.00	117.42	116.05	23.75	101.18	58.84	206.61	97.04 to 145.97	10,583	12,281	
Less Than 30,000	36	98.33	106.43	103.51	18.50	102.82	58.84	206.61	94.02 to 107.85	17,283	17,890	
___ Ranges Excl. Low \$ ___												
Greater Than 4,999	85	97.54	101.49	97.80	16.18	103.77	56.95	206.61	95.19 to 102.02	52,734	51,572	
Greater Than 14,999	70	96.62	98.07	97.13	13.97	100.97	56.95	157.12	93.53 to 99.86	61,766	59,991	
Greater Than 29,999	49	96.84	97.85	96.88	14.42	101.00	56.95	157.12	92.85 to 102.02	78,779	76,318	
___ Incremental Ranges ___												
0 TO 4,999												
5,000 TO 14,999	15	105.00	117.42	116.05	23.75	101.18	58.84	206.61	97.04 to 145.97	10,583	12,281	
15,000 TO 29,999	21	96.04	98.58	99.22	12.89	99.35	70.96	143.37	88.10 to 104.30	22,069	21,896	
30,000 TO 59,999	19	99.86	98.12	99.18	17.23	98.93	66.59	157.12	76.53 to 112.42	41,692	41,350	
60,000 TO 99,999	22	96.23	97.76	97.60	10.64	100.16	71.08	154.36	90.11 to 102.43	74,236	72,456	
100,000 TO 149,999	3	106.67	103.43	103.70	11.16	99.74	83.96	119.65	N/A	120,000	124,438	
150,000 TO 249,999	4	93.01	93.21	89.89	19.89	103.69	56.95	129.89	N/A	192,959	173,448	
250,000 TO 499,999	1	96.63	96.63	96.63	00.00	100.00	96.63	96.63	N/A	303,000	292,795	
500,000 TO 999,999												
1,000,000 +												
___ ALL ___	85	97.54	101.49	97.80	16.18	103.77	56.95	206.61	95.19 to 102.02	52,734	51,572	

2013 Correlation Section for Hitchcock County

A. Residential Real Property

Hitchcock County contains four small communities with populations ranging from 350-600 each. The economy is largely agricultural based; influences within the communities will vary based on their proximity to job opportunities, amenities available locally, and the presence or absence of a school system within the community. Additionally, there are three areas around Swanson Reservoir that are recreationally influenced, and are less subject to the local economy. Four valuation groupings have been established in the residential class based on these influences.

The Department conducts a cyclical review of assessment practices in which one-third of the counties in the state are reviewed each year. Hitchcock County received this review during 2011. The findings of the review indicated that several residential properties had not been reviewed in sometime, indicating a need to step-up review efforts to ensure compliance with the statutory six year inspection requirements. Residential parcels in Palisade, Stratton, Trenton, and Goodlife Marina have been reviewed to date. Culbertson, rural residential, about 70 parcels around Swanson Lake will need to be reviewed in the next year. Conversations with the county assessor have indicated that this work is planned in the next assessment year.

A sales qualification review was conducted by the Department in 2012. In Hitchcock County this involved a review of the non-qualified sales roster to ensure that reasons for disqualifying sales were documented and adequate. An on-site review of verification documentation was also completed. The verification process within the county was found to be thorough and well documented. The review indicated 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 the class reveals that the measures of central tendency correlate closely and suggest a level of value in the acceptable range. The qualitative statistics are slightly above the range recommended by IAAO, but given the dispersion that can be found in rural markets they still support assessment uniformity. In examining the valuation grouping substrata, only groups one and two have sufficient samples of sales. Since groups three and four have been assessed using the same appraisal techniques, they are believed to be in the acceptable range as well.

After a review of all available information, the level of value of residential property in Hitchcock County is determined to be 98%; assessment practices are in compliance with generally accepted mass appraisal standards.

**2013 Correlation Section
for Hitchcock 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 Hitchcock 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 Hitchcock 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 Hitchcock 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 Hitchcock County

A complete reappraisal of the commercial class was completed for 2013. The reappraisal included an exterior review of all parcels; when permitted an interior inspection was also completed. Measurements were checked where necessary and new photographs were taken. The quality and condition of the improvement was reviewed. All corrections were entered into the CAMA system.

The costing tables were updated to June 2012. The contract appraiser developed all three approaches to value where appropriate and applicable. A market model was established using market data stratified by occupancy code and other key market characteristics to arrive at depreciation. Due to the limited sales information available in Hitchcock County, the modeling was heavily dependent on sales data from similar economic areas outside of the county.

The pickup work was also completed by the contract appraisal service.

2013 Commercial Assessment Survey for Hitchcock County

1.	Valuation data collection done by:	
	The contract appraisal service	
2.	List the valuation groupings recognized in the County and describe the unique characteristics of each:	
	<u>Valuation Grouping</u>	<u>Description of unique characteristics</u>
	01	There are no valuation groupings within the commercial class, as there are too few sales in the study period to warrant locational stratification.
3.	List and describe the approach(es) used to estimate the market value of commercial properties.	
	Where sufficient data exists, all three approaches will be developed by the contract appraisal service.	
3a.	Describe the process used to determine the value of unique commercial properties.	
	The assessor relies upon the contract appraisal service to establish the value of unique commercial properties. The contract appraiser works in numerous counties throughout the state and will use his knowledge of similar markets and sales data from other jurisdictions to establish the values.	
4.	What is the costing year of the cost approach being used for each valuation grouping?	
	June 2012	
5.	If the cost approach is used, does the County develop the depreciation study(ies) based on local market information or does the county use the tables provided by the CAMA vendor?	
	Depreciation is developed using local market information, as well as sales data from outside of the county.	
6.	Are individual depreciation tables developed for each valuation grouping?	
	The contract appraiser develops market models based on the sale price per square foot of different properties with adjustments for various characteristics. Locational adjustments would typically be handled in the land value if necessary.	
7.	When were the depreciation tables last updated for each valuation grouping?	
	2013	
8.	When was the last lot value study completed for each valuation grouping?	
	2012	
9.	Describe the methodology used to determine the commercial lot values.	
	The commercial lot values are established by conducting a sales analysis; values are applied per square foot.	

**44 Hitchcock
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 : 8
 Total Sales Price : 163,085
 Total Adj. Sales Price : 163,085
 Total Assessed Value : 162,315
 Avg. Adj. Sales Price : 20,386
 Avg. Assessed Value : 20,289

MEDIAN : 98
 WGT. MEAN : 100
 MEAN : 105
 COD : 11.71
 PRD : 105.19

COV : 18.60
 STD : 19.47
 Avg. Abs. Dev : 11.48
 MAX Sales Ratio : 149.42
 MIN Sales Ratio : 91.20

95% Median C.I. : 91.20 to 149.42
 95% Wgt. Mean C.I. : 92.64 to 106.41
 95% Mean C.I. : 88.42 to 120.98

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DATE OF SALE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
<u>Qtrts</u>												
01-OCT-09 To 31-DEC-09	1	92.43	92.43	92.43	00.00	100.00	92.43	92.43	N/A	20,000	18,485	
01-JAN-10 To 31-MAR-10	1	100.31	100.31	100.31	00.00	100.00	100.31	100.31	N/A	35,000	35,110	
01-APR-10 To 30-JUN-10												
01-JUL-10 To 30-SEP-10												
01-OCT-10 To 31-DEC-10	2	121.45	121.45	109.45	23.04	110.96	93.47	149.42	N/A	10,500	11,493	
01-JAN-11 To 31-MAR-11	1	101.19	101.19	101.19	00.00	100.00	101.19	101.19	N/A	45,085	45,620	
01-APR-11 To 30-JUN-11												
01-JUL-11 To 30-SEP-11	1	113.79	113.79	113.79	00.00	100.00	113.79	113.79	N/A	7,000	7,965	
01-OCT-11 To 31-DEC-11	1	91.20	91.20	91.20	00.00	100.00	91.20	91.20	N/A	30,000	27,360	
01-JAN-12 To 31-MAR-12												
01-APR-12 To 30-JUN-12												
01-JUL-12 To 30-SEP-12	1	95.80	95.80	95.80	00.00	100.00	95.80	95.80	N/A	5,000	4,790	
<u>Study Yrs</u>												
01-OCT-09 To 30-SEP-10	2	96.37	96.37	97.45	04.09	98.89	92.43	100.31	N/A	27,500	26,798	
01-OCT-10 To 30-SEP-11	4	107.49	114.47	104.77	15.95	109.26	93.47	149.42	N/A	18,271	19,143	
01-OCT-11 To 30-SEP-12	2	93.50	93.50	91.86	02.46	101.79	91.20	95.80	N/A	17,500	16,075	
<u>Calendar Yrs</u>												
01-JAN-10 To 31-DEC-10	3	100.31	114.40	103.74	18.59	110.28	93.47	149.42	N/A	18,667	19,365	
01-JAN-11 To 31-DEC-11	3	101.19	102.06	98.61	07.44	103.50	91.20	113.79	N/A	27,362	26,982	
<u>ALL</u>	8	98.06	104.70	99.53	11.71	105.19	91.20	149.42	91.20 to 149.42	20,386	20,289	

VALUATION GROUPING											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
01	8	98.06	104.70	99.53	11.71	105.19	91.20	149.42	91.20 to 149.42	20,386	20,289	
<u>ALL</u>	8	98.06	104.70	99.53	11.71	105.19	91.20	149.42	91.20 to 149.42	20,386	20,289	

PROPERTY TYPE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
02												
03	8	98.06	104.70	99.53	11.71	105.19	91.20	149.42	91.20 to 149.42	20,386	20,289	
04												
<u>ALL</u>	8	98.06	104.70	99.53	11.71	105.19	91.20	149.42	91.20 to 149.42	20,386	20,289	

**44 Hitchcock
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 : 8
 Total Sales Price : 163,085
 Total Adj. Sales Price : 163,085
 Total Assessed Value : 162,315
 Avg. Adj. Sales Price : 20,386
 Avg. Assessed Value : 20,289

MEDIAN : 98
 WGT. MEAN : 100
 MEAN : 105
 COD : 11.71
 PRD : 105.19

COV : 18.60
 STD : 19.47
 Avg. Abs. Dev : 11.48
 MAX Sales Ratio : 149.42
 MIN Sales Ratio : 91.20

95% Median C.I. : 91.20 to 149.42
 95% Wgt. Mean C.I. : 92.64 to 106.41
 95% Mean C.I. : 88.42 to 120.98

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SALE PRICE *											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
<u>Low \$ Ranges</u>												
Less Than 5,000												
Less Than 15,000	3	113.79	119.67	120.67	15.70	99.17	95.80	149.42	N/A	6,000	7,240	
Less Than 30,000	5	95.80	108.98	102.31	16.14	106.52	92.43	149.42	N/A	10,600	10,845	
<u>Ranges Excl. Low \$</u>												
Greater Than 4,999	8	98.06	104.70	99.53	11.71	105.19	91.20	149.42	91.20 to 149.42	20,386	20,289	
Greater Than 14,999	5	93.47	95.72	96.91	03.82	98.77	91.20	101.19	N/A	29,017	28,119	
Greater Than 29,999	3	100.31	97.57	98.19	03.32	99.37	91.20	101.19	N/A	36,695	36,030	
<u>Incremental Ranges</u>												
0 TO 4,999												
5,000 TO 14,999	3	113.79	119.67	120.67	15.70	99.17	95.80	149.42	N/A	6,000	7,240	
15,000 TO 29,999	2	92.95	92.95	92.87	00.56	100.09	92.43	93.47	N/A	17,500	16,253	
30,000 TO 59,999	3	100.31	97.57	98.19	03.32	99.37	91.20	101.19	N/A	36,695	36,030	
60,000 TO 99,999												
100,000 TO 149,999												
150,000 TO 249,999												
250,000 TO 499,999												
500,000 TO 999,999												
1,000,000 +												
<u>ALL</u>	8	98.06	104.70	99.53	11.71	105.19	91.20	149.42	91.20 to 149.42	20,386	20,289	

OCCUPANCY CODE											Avg. Adj.	Avg.
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Sale Price	Assd. Val	
346	1	101.19	101.19	101.19	00.00	100.00	101.19	101.19	N/A	45,085	45,620	
353	1	93.47	93.47	93.47	00.00	100.00	93.47	93.47	N/A	15,000	14,020	
384	1	95.80	95.80	95.80	00.00	100.00	95.80	95.80	N/A	5,000	4,790	
406	2	95.76	95.76	96.11	04.76	99.64	91.20	100.31	N/A	32,500	31,235	
436	1	149.42	149.42	149.42	00.00	100.00	149.42	149.42	N/A	6,000	8,965	
442	1	92.43	92.43	92.43	00.00	100.00	92.43	92.43	N/A	20,000	18,485	
477	1	113.79	113.79	113.79	00.00	100.00	113.79	113.79	N/A	7,000	7,965	
<u>ALL</u>	8	98.06	104.70	99.53	11.71	105.19	91.20	149.42	91.20 to 149.42	20,386	20,289	

2013 Correlation Section for Hitchcock County

A. Commercial Real Property

Hitchcock County has four small communities within it. The populations of each of these towns range from approximately 350-600 people. The economy is largely agricultural based, and the market for commercial property will typically be unorganized. Within the commercial class, properties are valued more on occupancy than location, so there are no valuation groupings within the class. Any locational differences are accounted for in the land values.

The Department conducts a cyclical review of assessment practices in which one-third of the counties in the state are reviewed each year. Hitchcock County received this review during 2011. The findings of the review indicated that commercial parcels had not been physically reviewed or revalued with new costing in numerous years. This was remedied for 2013, with a complete reappraisal of the commercial class. The reappraisal brings the county into compliance with the six year inspection requirement and also improved the uniformity of commercial assessments within the county.

A sales qualification review was conducted by the Department in 2012. In Hitchcock County this involved a review of the non-qualified sales roster to ensure that reasons for disqualifying sales were documented and adequate. An on-site review of verification documentation was also completed. The verification process within the county was found to be thorough and well documented. The review indicated 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 the class reveals a sample of only eight sales. A sample this small could only be considered reliable when properties are unusually homogeneous; since this is not the case with commercial property, the sample cannot be relied upon. The contract appraiser relied on sales from comparable areas outside of Hitchcock County to aid in establishing the values for 2013.

After reviewing all available information, there is insufficient information to determine a specific level of value for commercial property in Hitchcock County. Based on the reappraisal that was conducted, the level of value of commercial property is believed to be within the acceptable range and assessment practices meet generally accepted mass appraisal standards.

**2013 Correlation Section
for Hitchcock 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 Hitchcock 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 Hitchcock 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 Hitchcock 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 Hitchcock County

The three year plan indicated that a review of agricultural improvements would begin for 2013. However, since the Hitchcock County Board granted funds to contract for a reappraisal of the commercial class the agricultural improvements were rescheduled; agricultural improvements will both be inspected and revalued for assessment year 2014.

Only routine maintenance occurred for the agricultural improvements for this year, the pickup work was completed timely.

A sales study of agricultural land was also completed. All land values were adjusted. Irrigated land increased 16%; dry land increased approximately 25%; and grass land about 2%.

2013 Agricultural Assessment Survey for Hitchcock County

1.	Valuation data collection done by:	
	The assessor and staff	
2.	List each market area, and describe the location and the specific characteristics that make each unique.	
	Market Area	Description of unique characteristics
	90	All agricultural land in the county, except for a portion along the Republican River
	100	One mile area on each side of the Republican River. Sales analysis over the years has shown a recreational influence in the market; due to lack of recent sales data the values in this area are currently the same as area 90. The assessor continues to study sales in this area for non-agricultural influences.
3.	Describe the process used to determine and monitor market areas.	
	Sales analysis over time has shown the recreational influence to not extend beyond more than one mile on each side of the river. Ratio studies are conducted annually to monitor the market areas.	
4.	Describe the process used to identify rural residential land and recreational land in the county apart from agricultural land.	
	Generally, all parcels less than 40 acres are typically rural residential; however, all small parcels are reviewed for present use before a determination is made. Recreational land has so far been limited to land along the Republican River; it has been identified through the special valuation application process.	
5.	Do farm home sites carry the same value as rural residential home sites? If not, what are the market differences?	
	Farm home sites and rural residential home sites are valued the same county wide.	
6.	Describe the process used to identify and monitor the influence of non-agricultural characteristics.	
	Ratio studies are conducted annually to monitor for non-agricultural influences; the sales verification process also helps to identify the motivation of buyers.	
7.	Have special valuation applications been filed in the county? If a value difference is recognized describe the process used to develop the uninfluenced value.	
	Yes	
8.	If applicable, describe the process used to develop assessed values for parcels enrolled in the Wetland Reserve Program.	
	No	

44 Hitchcock

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 : 63
 Total Sales Price : 19,969,331
 Total Adj. Sales Price : 19,934,331
 Total Assessed Value : 13,241,156
 Avg. Adj. Sales Price : 316,418
 Avg. Assessed Value : 210,177

MEDIAN : 74
 WGT. MEAN : 66
 MEAN : 71
 COD : 25.31
 PRD : 107.33

COV : 32.33
 STD : 23.05
 Avg. Abs. Dev : 18.66
 MAX Sales Ratio : 131.64
 MIN Sales Ratio : 28.15

95% Median C.I. : 64.81 to 80.73
 95% Wgt. Mean C.I. : 59.75 to 73.10
 95% Mean C.I. : 65.60 to 76.98

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DATE OF SALE *											Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.			
<u>Qtrts</u>												
01-OCT-09 To 31-DEC-09	5	93.37	99.17	101.01	09.45	98.18	89.55	112.85	N/A	291,600	294,538	
01-JAN-10 To 31-MAR-10	3	79.37	82.47	80.20	05.69	102.83	77.25	90.80	N/A	158,333	126,983	
01-APR-10 To 30-JUN-10	12	84.96	82.83	84.25	10.76	98.31	61.09	99.03	71.52 to 91.26	249,241	209,975	
01-JUL-10 To 30-SEP-10	2	99.16	99.16	99.18	00.26	99.98	98.90	99.42	N/A	127,750	126,708	
01-OCT-10 To 31-DEC-10	7	85.62	88.12	84.70	15.55	104.04	64.58	131.64	64.58 to 131.64	328,295	278,066	
01-JAN-11 To 31-MAR-11	1	60.09	60.09	60.09	00.00	100.00	60.09	60.09	N/A	235,500	141,510	
01-APR-11 To 30-JUN-11	7	69.74	69.97	70.53	11.92	99.21	56.66	85.27	56.66 to 85.27	317,429	223,872	
01-JUL-11 To 30-SEP-11	1	66.11	66.11	66.11	00.00	100.00	66.11	66.11	N/A	1,175,000	776,850	
01-OCT-11 To 31-DEC-11	8	42.36	53.69	51.23	43.41	104.80	32.94	88.62	32.94 to 88.62	335,075	171,658	
01-JAN-12 To 31-MAR-12	7	46.69	50.98	48.57	25.81	104.96	36.98	68.08	36.98 to 68.08	486,571	236,330	
01-APR-12 To 30-JUN-12	8	48.13	53.47	40.91	40.58	130.70	28.15	96.92	28.15 to 96.92	257,847	105,488	
01-JUL-12 To 30-SEP-12	2	54.26	54.26	46.07	19.39	117.78	43.74	64.77	N/A	337,500	155,500	
<u>Study Yrs</u>												
01-OCT-09 To 30-SEP-10	22	89.59	87.98	89.33	10.43	98.49	61.09	112.85	78.75 to 93.59	235,427	210,307	
01-OCT-10 To 30-SEP-11	16	74.38	77.05	74.73	17.01	103.10	56.66	131.64	64.58 to 85.62	370,660	276,996	
01-OCT-11 To 30-SEP-12	25	46.69	52.91	47.40	35.02	111.62	28.15	96.92	37.07 to 64.77	352,975	167,299	
<u>Calendar Yrs</u>												
01-JAN-10 To 31-DEC-10	24	86.70	85.69	84.73	12.01	101.13	61.09	131.64	77.25 to 91.26	250,811	212,522	
01-JAN-11 To 31-DEC-11	17	64.81	61.50	61.12	22.77	100.62	32.94	88.62	37.24 to 78.68	371,359	226,984	
<u>ALL</u>	63	73.73	71.29	66.42	25.31	107.33	28.15	131.64	64.81 to 80.73	316,418	210,177	

AREA (MARKET)											Avg. Adj. Sale Price	Avg. Assd. Val
RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.			
90	63	73.73	71.29	66.42	25.31	107.33	28.15	131.64	64.81 to 80.73	316,418	210,177	
<u>ALL</u>	63	73.73	71.29	66.42	25.31	107.33	28.15	131.64	64.81 to 80.73	316,418	210,177	

44 Hitchcock
AGRICULTURAL LAND

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 95% Wgt. Mean C.I. : 59.75 to 73.10
 95% Mean C.I. : 65.60 to 76.98

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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
Irrigated											
County	2	55.75	55.75	52.16	16.25	106.88	46.69	64.81	N/A	687,500	358,590
90	2	55.75	55.75	52.16	16.25	106.88	46.69	64.81	N/A	687,500	358,590
Dry											
County	22	74.38	68.60	62.21	27.80	110.27	28.15	110.44	38.86 to 89.55	251,250	156,310
90	22	74.38	68.60	62.21	27.80	110.27	28.15	110.44	38.86 to 89.55	251,250	156,310
Grass											
County	7	78.75	81.29	81.98	10.21	99.16	69.74	96.92	69.74 to 96.92	186,062	152,538
90	7	78.75	81.29	81.98	10.21	99.16	69.74	96.92	69.74 to 96.92	186,062	152,538
ALL	63	73.73	71.29	66.42	25.31	107.33	28.15	131.64	64.81 to 80.73	316,418	210,177

80%MLU By Market Area

RANGE	COUNT	MEDIAN	MEAN	WGT.MEAN	COD	PRD	MIN	MAX	95%_Median_C.I.	Avg. Adj. Sale Price	Avg. Assd. Val
Irrigated											
County	6	72.77	73.74	63.29	30.22	116.51	43.74	112.85	43.74 to 112.85	484,333	306,533
90	6	72.77	73.74	63.29	30.22	116.51	43.74	112.85	43.74 to 112.85	484,333	306,533
Dry											
County	33	71.41	67.41	61.75	28.08	109.17	28.15	110.44	59.48 to 82.13	265,291	163,825
90	33	71.41	67.41	61.75	28.08	109.17	28.15	110.44	59.48 to 82.13	265,291	163,825
Grass											
County	9	77.25	79.38	78.52	09.63	101.10	68.08	96.92	69.74 to 93.37	202,215	158,779
90	9	77.25	79.38	78.52	09.63	101.10	68.08	96.92	69.74 to 93.37	202,215	158,779
ALL	63	73.73	71.29	66.42	25.31	107.33	28.15	131.64	64.81 to 80.73	316,418	210,177

Hitchcock County 2013 Average Acre Value Comparison

County	Mkt Area	1A1	1A	2A1	2A	3A1	3A	4A1	4A	AVG IRR
Hitchcock	90	1,855	1,855	1,680	1,680	1,510	1,510	1,395	1,395	1,788
Dundy	1	N/A	1,566	1,595	1,597	1,573	1,573	1,589	1,597	1,588
Hayes	1	1,900	1,900	1,750	1,750	1,625	1,625	1,500	1,500	1,748
Red Willow	1	1,950	1,900	1,687	1,515	1,369	1,203	1,112	1,004	1,791
Chase	1	N/A	2,100	2,097	1,989	1,990	1,900	1,899	1,899	2,004
Frontier	1	1,950	1,947	1,817	1,868	1,800	1,800	1,722	1,673	1,907

County	Mkt Area	1D1	1D	2D1	2D	3D1	3D	4D1	4D	AVG DRY
Hitchcock	90	890	891	752	750	650	650	551	552	836
Dundy	1	N/A	907	632	660	656	493	499	486	732
Hayes	1	890	890	800	800	750	750	600	600	826
Red Willow	1	1,000	1,000	950	950	850	750	700	690	946
Chase	1	N/A	970	970	970	840	840	840	840	937
Frontier	1	910	910	850	850	795	795	740	740	876

County	Mkt Area	1G1	1G	2G1	2G	3G1	3G	4G1	4G	AVG GRASS
Hitchcock	90	425	315	315	323	315	315	318	315	315
Dundy	1	N/A	320	320	320	320	322	320	320	320
Hayes	1	310	310	310	310	310	310	310	310	310
Red Willow	1	370	370	370	370	370	370	370	370	370
Chase	1	N/A	300	300	300	300	300	300	300	300
Frontier	1	390	390	390	390	390	390	390	390	390

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

Judy K McDonald
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2013

Methodology for Special Valuation

Hitchcock County

Historically, sales analysis has indicated that recreational influences exist along the Republican River. In 2000 a market area was developed along the river in order to monitor these influences and establish values. Special value applications were received and special valuation was implemented.

In 2012 due to a lack of sales activity, the county was unable to determine a difference in the value of the two market areas. This continues to be the case for assessment year 2013; all properties in market areas 90 and 100 have been assessed using the same schedule of values.

We are currently in the process of studying sales along the Republican River, both in and out of the county, and have identified outlier sales that could indicate a recreational influence. In order to properly assess parcels along the river, we need a better inventory of the characteristics along the river that might be impacting value. We are waiting for the completion of our new GIS system to aid in inventorying these characteristics. The GIS System is scheduled to be complete in the summer of 2013.

Judy K. McDonald
Hitchcock County As

2013 Correlation Section for Hitchcock County

A. Agricultural Land

Agricultural land in Hitchcock County primarily consists of equal amounts of dry cropland and grassland, with little irrigated cropland. The county is in the Middle Republican Natural Resource District, which imposes water allocation restrictions on irrigated parcels. The counties surrounding Hitchcock County are all considered to be comparable.

The Republican River flows through the county; historically the market along the river has been influenced by non-agricultural interests. The county created a market area (100) around the river several years ago and implemented special valuation. Due to the significantly increasing agricultural market and the lack of recreational influenced sales activity, the county was unable to identify a market difference in 2012, and valued all agricultural property county-wide using the same schedule of values. In 2013, some outlier sales along the river have the county questioning whether a non-agricultural influence might still exist. The county assessor is working on implementing GIS with the goal of developing a better inventory of characteristics along the river. A market study will be conducted for 2014; this year, the values in market area 90 and 100 remain the same.

Analysis of the sales within Hitchcock County indicated that the overall sample was proportionately distributed when stratified by sale date, sufficiently large, and representative of the land uses found within the county. In analyzing the land use subclasses, the irrigated and grass subclasses were insufficiently small and the dry land subclass heavily consisted of older sales. Sales were brought into the sample in an effort to produce a reliable measurement of all three land uses; the irrigated and grass land subclasses remain unreliably small.

Assessment actions taken for 2013 include adjustments to all three land uses that were within the typical range for the agricultural market in this portion of the state. The dry land statistics support that the values established by the county assessor are acceptable. The irrigated sample is too small to be reliable; irrigated land was increased about nine percent less than dry land was. Typically irrigated and dry land values move at about the same rate in the market, in the absence of sufficient market data to prove otherwise, it is expected that assessment actions would be similar for both irrigated and dry cropland. However, analysis of historic movements of irrigated and dry land values within the county show that irrigation received a significantly higher increase in 2012; since the market began significantly increasing in 2008, irrigated and dry values have appreciated at relatively the same rate. Therefore, the county assessor's actions for 2013 seem warranted. Grassland increased minimally for 2013 (two percent), as was typical in the market. All land values established by Hitchcock County for 2013 compare very well to adjoining counties.

All factors suggest that the county achieved uniformity in agricultural land assessment both within the land use subclasses and with adjoining counties. The level of value of agricultural land in Hitchcock County is determined to be 74%.

**2013 Correlation Section
for Hitchcock 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 Hitchcock 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 Hitchcock 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 Hitchcock 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.

Total Real Property Sum Lines 17, 25, & 30	Records : 4,271	Value : 527,896,348	Growth 14,969,062	Sum Lines 17, 25, & 41
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Schedule I : Non-Agricultural Records

	Urban		SubUrban		Rural		Total		Growth
	Records	Value	Records	Value	Records	Value	Records	Value	
01. Res UnImp Land	159	501,270	0	0	30	127,610	189	628,880	
02. Res Improve Land	971	3,041,065	0	0	243	2,541,960	1,214	5,583,025	
03. Res Improvements	971	34,038,530	0	0	243	17,955,225	1,214	51,993,755	
04. Res Total	1,130	37,580,865	0	0	273	20,624,795	1,403	58,205,660	941,350
% of Res Total	80.54	64.57	0.00	0.00	19.46	35.43	32.85	11.03	6.29
05. Com UnImp Land	24	56,310	0	0	5	33,635	29	89,945	
06. Com Improve Land	133	373,765	0	0	38	205,605	171	579,370	
07. Com Improvements	133	10,193,923	0	0	38	6,659,445	171	16,853,368	
08. Com Total	157	10,623,998	0	0	43	6,898,685	200	17,522,683	2,787,079
% of Com Total	78.50	60.63	0.00	0.00	21.50	39.37	4.68	3.32	18.62
09. Ind UnImp Land	0	0	0	0	0	0	0	0	
10. Ind Improve Land	4	23,645	0	0	3	138,495	7	162,140	
11. Ind Improvements	4	4,858,285	0	0	3	18,144,925	7	23,003,210	
12. Ind Total	4	4,881,930	0	0	3	18,283,420	7	23,165,350	3,124,393
% of Ind Total	57.14	21.07	0.00	0.00	42.86	78.93	0.16	4.39	20.87
13. Rec UnImp Land	0	0	0	0	4	13,800	4	13,800	
14. Rec Improve Land	1	6,000	0	0	178	479,180	179	485,180	
15. Rec Improvements	1	13,335	0	0	178	2,969,055	179	2,982,390	
16. Rec Total	1	19,335	0	0	182	3,462,035	183	3,481,370	0
% of Rec Total	0.55	0.56	0.00	0.00	99.45	99.44	4.28	0.66	0.00
Res & Rec Total	1,131	37,600,200	0	0	455	24,086,830	1,586	61,687,030	941,350
% of Res & Rec Total	71.31	60.95	0.00	0.00	28.69	39.05	37.13	11.69	6.29
Com & Ind Total	161	15,505,928	0	0	46	25,182,105	207	40,688,033	5,911,472
% of Com & Ind Total	77.78	38.11	0.00	0.00	22.22	61.89	4.85	7.71	39.49
17. Taxable Total	1,292	53,106,128	0	0	501	49,268,935	1,793	102,375,063	6,852,822
% of Taxable Total	72.06	51.87	0.00	0.00	27.94	48.13	41.98	19.39	45.78

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	216	107,762,050	216	107,762,050	7,359,520
24. Non-Producing	0	0	0	0	23	49,710	23	49,710	0
25. Total	0	0	0	0	0	0	239	107,811,760	7,359,520

Schedule IV : Exempt Records : Non-Agricultural

	Urban Records	SubUrban Records	Rural Records	Total Records
26. Exempt	135	0	66	201

Schedule V : Agricultural Records

	Urban		SubUrban		Rural		Total	
	Records	Value	Records	Value	Records	Value	Records	Value
27. Ag-Vacant Land	5	24,935	0	0	1,744	207,375,740	1,749	207,400,675
28. Ag-Improved Land	2	68,030	0	0	462	88,254,740	464	88,322,770
29. Ag Improvements	2	254,290	0	0	488	21,731,790	490	21,986,080
30. Ag Total							2,239	317,709,525

Schedule VI : Agricultural Records :Non-Agricultural Detail

	Urban			SubUrban			Growth
	Records	Acres	Value	Records	Acres	Value	
31. HomeSite UnImp Land	0	0.00	0	0	0.00	0	
32. HomeSite Improv Land	2	4.00	9,300	0	0.00	0	
33. HomeSite Improvements	2	0.00	242,720	0	0.00	0	
34. HomeSite Total							
35. FarmSite UnImp Land	0	0.00	0	0	0.00	0	
36. FarmSite Improv Land	2	0.00	0	0	0.00	0	
37. FarmSite Improvements	2	0.00	11,570	0	0.00	0	
38. FarmSite Total							
39. Road & Ditches	0	0.00	0	0	0.00	0	
40. Other- Non Ag Use	0	0.00	0	0	0.00	0	
	Records	Acres	Value	Records	Acres	Value	Growth
31. HomeSite UnImp Land	7	7.24	17,765	7	7.24	17,765	
32. HomeSite Improv Land	452	1,026.15	2,588,965	454	1,030.15	2,598,265	
33. HomeSite Improvements	452	0.00	15,109,905	454	0.00	15,352,625	756,720
34. HomeSite Total				461	1,037.39	17,968,655	
35. FarmSite UnImp Land	0	0.00	0	0	0.00	0	
36. FarmSite Improv Land	455	44.34	70,740	457	44.34	70,740	
37. FarmSite Improvements	480	0.00	6,621,885	482	0.00	6,633,455	0
38. FarmSite Total				482	44.34	6,704,195	
39. Road & Ditches	0	5,024.73	0	0	5,024.73	0	
40. Other- Non Ag Use	0	244.11	0	0	244.11	0	
41. Total Section VI				943	6,350.57	24,672,850	756,720

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	243	36,345.75	30,861,115	243	36,345.75	30,861,115
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 90

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	880.58	2.96%	1,633,475	3.07%	1,855.00
46. 1A	21,843.90	73.33%	40,520,435	76.07%	1,855.00
47. 2A1	2,917.52	9.79%	4,901,435	9.20%	1,680.00
48. 2A	1,139.42	3.83%	1,914,225	3.59%	1,680.00
49. 3A1	779.52	2.62%	1,177,070	2.21%	1,509.99
50. 3A	105.00	0.35%	158,550	0.30%	1,510.00
51. 4A1	1,045.82	3.51%	1,458,920	2.74%	1,395.00
52. 4A	1,075.06	3.61%	1,499,710	2.82%	1,395.00
53. Total	29,786.82	100.00%	53,263,820	100.00%	1,788.17
Dry					
54. 1D1	245.68	0.13%	218,655	0.14%	890.00
55. 1D	145,855.50	79.31%	129,936,845	84.49%	890.86
56. 2D1	2,490.13	1.35%	1,873,180	1.22%	752.24
57. 2D	2,007.59	1.09%	1,505,695	0.98%	750.00
58. 3D1	18,914.16	10.29%	12,295,070	7.99%	650.05
59. 3D	357.00	0.19%	232,050	0.15%	650.00
60. 4D1	8,054.07	4.38%	4,439,885	2.89%	551.26
61. 4D	5,973.76	3.25%	3,294,875	2.14%	551.56
62. Total	183,897.89	100.00%	153,796,255	100.00%	836.31
Grass					
63. 1G1	97.73	0.05%	41,565	0.07%	425.30
64. 1G	15,971.36	8.55%	5,032,525	8.54%	315.10
65. 2G1	2,183.05	1.17%	687,660	1.17%	315.00
66. 2G	2,251.56	1.20%	728,355	1.24%	323.49
67. 3G1	6,020.68	3.22%	1,896,520	3.22%	315.00
68. 3G	141.78	0.08%	44,660	0.08%	315.00
69. 4G1	9,725.19	5.20%	3,088,280	5.24%	317.55
70. 4G	150,508.78	80.53%	47,410,270	80.45%	315.00
71. Total	186,900.13	100.00%	58,929,835	100.00%	315.30
Irrigated Total					
	29,786.82	7.42%	53,263,820	20.02%	1,788.17
Dry Total					
	183,897.89	45.81%	153,796,255	57.81%	836.31
Grass Total					
	186,900.13	46.55%	58,929,835	22.15%	315.30
72. Waste	880.99	0.22%	43,750	0.02%	49.66
73. Other	0.00	0.00%	0	0.00%	0.00
74. Exempt	2,977.58	0.74%	0	0.00%	0.00
75. Market Area Total	401,465.83	100.00%	266,033,660	100.00%	662.66

Schedule IX : Agricultural Records : Ag Land Market Area Detail

Market Area 100

Irrigated	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
45. 1A1	1,081.13	11.85%	2,005,495	12.69%	1,855.00
46. 1A	4,048.59	44.36%	7,510,135	47.51%	1,855.00
47. 2A1	920.11	10.08%	1,545,785	9.78%	1,680.00
48. 2A	1,404.37	15.39%	2,359,340	14.93%	1,680.00
49. 3A1	71.00	0.78%	107,210	0.68%	1,510.00
50. 3A	387.29	4.24%	584,805	3.70%	1,509.99
51. 4A1	781.46	8.56%	1,090,140	6.90%	1,395.00
52. 4A	432.41	4.74%	603,210	3.82%	1,395.00
53. Total	9,126.36	100.00%	15,806,120	100.00%	1,731.92
Dry					
54. 1D1	197.65	3.59%	175,910	4.03%	890.01
55. 1D	3,060.42	55.55%	2,723,770	62.34%	890.00
56. 2D1	316.00	5.74%	237,000	5.42%	750.00
57. 2D	660.71	11.99%	495,545	11.34%	750.02
58. 3D1	247.00	4.48%	160,550	3.67%	650.00
59. 3D	112.00	2.03%	72,800	1.67%	650.00
60. 4D1	470.55	8.54%	258,805	5.92%	550.01
61. 4D	444.65	8.07%	244,560	5.60%	550.01
62. Total	5,508.98	100.00%	4,368,940	100.00%	793.06
Grass					
63. 1G1	212.49	0.98%	66,930	0.98%	314.98
64. 1G	992.70	4.60%	312,705	4.60%	315.00
65. 2G1	416.81	1.93%	131,295	1.93%	315.00
66. 2G	1,194.46	5.53%	376,255	5.53%	315.00
67. 3G1	157.00	0.73%	49,455	0.73%	315.00
68. 3G	655.39	3.03%	206,450	3.03%	315.00
69. 4G1	5,479.05	25.37%	1,725,905	25.37%	315.00
70. 4G	12,490.83	57.83%	3,934,610	57.83%	315.00
71. Total	21,598.73	100.00%	6,803,605	100.00%	315.00
Irrigated Total					
Irrigated Total	9,126.36	24.85%	15,806,120	58.53%	1,731.92
Dry Total					
Dry Total	5,508.98	15.00%	4,368,940	16.18%	793.06
Grass Total					
Grass Total	21,598.73	58.82%	6,803,605	25.20%	315.00
72. Waste	486.95	1.33%	24,350	0.09%	50.01
73. Other	0.00	0.00%	0	0.00%	0.00
74. Exempt	5,876.12	16.00%	0	0.00%	0.00
75. Market Area Total	36,721.02	100.00%	27,003,015	100.00%	735.36

Schedule X : Agricultural Records :Ag Land Total

	Urban		SubUrban		Rural		Total	
	Acres	Value	Acres	Value	Acres	Value	Acres	Value
76. Irrigated	27.73	50,920	0.00	0	38,885.45	69,019,020	38,913.18	69,069,940
77. Dry Land	28.00	20,600	0.00	0	189,378.87	158,144,595	189,406.87	158,165,195
78. Grass	38.55	12,145	0.00	0	208,460.31	65,721,295	208,498.86	65,733,440
79. Waste	0.00	0	0.00	0	1,367.94	68,100	1,367.94	68,100
80. Other	0.00	0	0.00	0	0.00	0	0.00	0
81. Exempt	0.00	0	0.00	0	8,853.70	0	8,853.70	0
82. Total	94.28	83,665	0.00	0	438,092.57	292,953,010	438,186.85	293,036,675

	Acres	% of Acres*	Value	% of Value*	Average Assessed Value*
Irrigated	38,913.18	8.88%	69,069,940	23.57%	1,774.98
Dry Land	189,406.87	43.23%	158,165,195	53.97%	835.06
Grass	208,498.86	47.58%	65,733,440	22.43%	315.27
Waste	1,367.94	0.31%	68,100	0.02%	49.78
Other	0.00	0.00%	0	0.00%	0.00
Exempt	8,853.70	2.02%	0	0.00%	0.00
Total	438,186.85	100.00%	293,036,675	100.00%	668.75

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

44 Hitchcock

	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	55,607,665	58,205,660	2,597,995	4.67%	941,350	2.98%
02. Recreational	2,760,225	3,481,370	721,145	26.13%	0	26.13%
03. Ag-Homesite Land, Ag-Res Dwelling	19,059,510	17,968,655	-1,090,855	-5.72%	756,720	-9.69%
04. Total Residential (sum lines 1-3)	77,427,400	79,655,685	2,228,285	2.88%	1,698,070	0.68%
05. Commercial	13,501,028	17,522,683	4,021,655	29.79%	2,787,079	9.14%
06. Industrial	21,332,695	23,165,350	1,832,655	8.59%	3,124,393	-6.06%
07. Ag-Farmsite Land, Outbuildings	6,763,825	6,704,195	-59,630	-0.88%	0	-0.88%
08. Minerals	137,756,280	107,811,760	-29,944,520	-21.74	7,359,520	-27.08
09. Total Commercial (sum lines 5-8)	179,353,828	155,203,988	-24,149,840	-13.46%	13,270,992	-20.86%
10. Total Non-Agland Real Property	256,781,228	234,859,673	-21,921,555	-8.54%	14,969,062	-14.37%
11. Irrigated	59,956,795	69,069,940	9,113,145	15.20%		
12. Dryland	128,502,230	158,165,195	29,662,965	23.08%		
13. Grassland	64,747,125	65,733,440	986,315	1.52%		
14. Wasteland	69,050	68,100	-950	-1.38%		
15. Other Agland	0	0	0			
16. Total Agricultural Land	253,275,200	293,036,675	39,761,475	15.70%		
17. Total Value of all Real Property (Locally Assessed)	510,056,428	527,896,348	17,839,920	3.50%	14,969,062	0.56%

**2012 PLAN OF ASSESSMENT
FOR
HITCHCOCK COUNTY
By Judy McDonald**

Plan of Assessment Requirements:

Pursuant to Neb. Rev. Stat. §77-1311.02 (2007), on or before June 15 each year, the assessor shall prepare a plan of assessment, (herein after referred to as the “plan”), which describes the assessment actions planned for the next assessment year and two years thereafter. The plan shall indicate the classes or subclasses of real property that the county assessor plans to examine during the years contained in the plan of assessment. The plan shall describe all the assessment actions necessary to achieve the levels of value and quality of assessment practices required by law, and the resources necessary to complete those actions. On or before July 31 each year, the assessor shall present the plan to the county board of equalization and the assessor may amend the plan, if necessary, after the budget is approved by the county board. A copy of the plan and any amendments thereto shall be mailed to the Department of Revenue, Property Assessment Division 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 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 (2003).

Assessment levels required for real property are as follows:

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

See Neb. Rev. Stat. §77-201 (2009).

General Description of Real Property in Hitchcock County:

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

	Parcels	% of Total Parcels	% of Taxable Value Base
Residential	1,408	31%	13%
Commercial	201	4%	3%
Recreational	179	4%	1%
Agricultural	2,235	50%	71%
Industrial	7	0%	5%
Mineral	214	5%	8%
Exempt	275	6%	0%

Agricultural land - taxable acres 437,971.60

Other pertinent facts: For agland, 47% of county is grass, 9% is irrigated, 43% is dry, and 1% is other.

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

Current Resources:

A. Staff/Budget/Training

1 Assessor

2 Clerks

Hitchcock County budget \$193,928 for 2012-2013 fiscal year

The assessor is required to obtain 60 hours of continuing education every 4 years. To date, the assessor has 25.5 hours of continuing education for the current term.

The clerical staff at this time does not have continuing education requirements; since both employees are new, it may be advantageous to send them to educational courses periodically.

B. Cadastral Maps

The counties cadastral maps are not dated and are assumed to be around 1930. Rural maps are 4 sections to a page and a scale of 1" = 660'. There are scaled city maps with scale of 1" = 100'. All split parcels and new subdivisions are kept up to date by the assessment staff, as well as ownership changes. At the present time, they are in need of updating and some repair work as many years of use has taken its toll. The county has applied for grant funding to be applied towards a GIS mapping system and is waiting to find out if we will receive the funding.

C. Property Record Cards

The system contains information from the current county wide review and yearly updated figures. The rural parcels each contain a map from the FSA Office. We utilize the property records available from the Orion system by printing property cards and also appraisal print-outs. These records were converted from the TerraScan system in July 2011. The converted data is being used to price residential and agricultural improvements. The office is still working towards having commercial parcels priced in the Orion system.

D. Software for CAMA, Assessment Administration, GIS

Hitchcock County became a State assumed county in July 2000; with the passage of LB121 Hitchcock County once again assumed the assessment function on July 1, 2012. As we were a State county, we received the Orion CAMA package that is now used by the State assumed counties. At this time all data is entered in the appraisal file. We have all residential data, recreational mobile homes, commercial properties and rural houses and out-buildings with digital pictures in the appraisal file. We are working on drawing new sketches in the Orion system for every property record. We have been working to update the data on the property record cards. In 2011, the residential data was updated for Trenton, Stratton, and a portion of Palisade.

- E. Web based – property record information access provided by Tyler Technologies
Web site: <http://hitchcock.realproperty.nebraska.gov>

Current Assessment Procedures for Real Property:

- A. Discover, List & Inventory all property.
- B. Data Collection.
- C. Review assessment sales ratio studies before assessment actions.
- D. Approaches to Value;
 - 1) Market Approach; sales comparisons,
 - 2) Cost Approach; cost manual used & date of manual and latest depreciation study,
 - 3) Income Approach; income and expense data collection/analysis from the market,
 - 4) Land valuation studies, establish market areas, special value for agricultural land
- E. Reconciliation of Final Value and documentation
- F. Review assessment sales ratio studies after assessment actions.
- G. Notices and Public Relations

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

<u>Property Class</u>	<u>Median</u>	<u>COD*</u>	<u>PRD*</u>
Residential	.97	15.48	102.58
Commercial	N/A	19.66	109.61
Agricultural Land	.74	15.48	102.58
Special Value Agland	.74	15.48	102.58

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

Assessment Actions Planned for Assessment Year 2013:

Residential: Complete the physical review of parcels within the villages by reviewing Culbertson and finishing Palisade (approximately 40-50 parcels remain to be reviewed). Residential and recreational parcels at Laker’s North Shore will also be reviewed. When these areas are complete we will begin reviewing rural homes and outbuildings, with the anticipation that the rural area will be completed and implemented for 2014. A sales study will also be completed, and adjustments to the depreciation tables will be made as warranted.

Commercial: Begin reviewing commercial parcels county wide as time permits, with the expectation, that all commercial parcels will be reviewed by March 19, 2014. It is anticipated that a contract appraiser will be needed to help with large commercial and industrial parcels; the remaining parcels will be reviewed by the assessor and office staff. Upon completion of the physical review, commercial parcels will be re-priced with new costing and depreciation tables in the Orion system.

Agricultural: Begin reviewing agricultural homes and outbuildings (in conjunction with the rural residential review). We anticipate that the agricultural review will be completed and implemented for 2014. Conduct a depreciation study to update the depreciation tables for agricultural outbuildings (the current depreciation is from Marshall and Swift). A sales study will

be conducted of agricultural land to determine what adjustments to the land tables are necessary. This study will include an analysis of special valuation market area 100 to determine whether a non-agricultural influence exists in the market. Land use changes will be made as warranted.

Assessment Actions Planned for Assessment Year 2014:

Residential: Complete the inspection cycle by reviewing residential and recreational parcels in Good Life Marina and the rest of the rural residential parcels. A sales study will be completed, with adjustments to the depreciation tables as warranted.

Commercial: Complete the physical review of all commercial parcels; re-price all commercial parcels using new costing and depreciation tables in the Orion system.

Agricultural: Complete the physical inspection of all improved agricultural parcels, to complete the inspection cycle. A sales study will be conducted of agricultural land to determine what adjustments to the land tables are necessary. Land use changes will be made as warranted.

Assessment Actions Planned for Assessment Year 2015:

Begin a new inspection cycle that includes a physical review of 1/6th of the county each year. The cycle will be setup in such a way to include updates to the appraisal tables in conjunction with the physical inspection. Sales studies will also be completed to determine whether adjustments to the depreciation tables are warranted for 2015.

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

1. Record Maintenance, Mapping updates, & 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 PAD rosters & 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 Lands & Funds
 - i. Report of all Exempt Property and Taxable Government Owned Property
 - j. Annual Plan of Assessment Report
3. Personal Property; administer annual filing of 600 schedules; prepare subsequent notices for incomplete filings or failure to file and penalties applied, as required.
4. Permissive Exemptions: administer annual filings of applications for new or continued exempt use, review and make recommendations to county board.

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 180 annual filings of applications, approval/denial process, taxpayer notifications, and taxpayer assistance.
7. Centrally Assessed – review of valuations as certified by PAD for railroads and public service entities, establish assessment records and tax billing for tax list.
8. Tax Increment Financing – management of record/valuation information for properties in community redevelopment projects for proper reporting on administrative reports and allocation of ad valorem tax.
9. 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.
10. Tax Lists; prepare and certify tax lists to county treasurer for real property, personal property, and centrally assessed.
11. Tax List Corrections – prepare tax list correction documents for county board approval.
12. County Board of Equalization - attend county board of equalization meetings for valuation protests – assemble and provide information
13. TERC Appeals - prepare information and attend taxpayer appeal hearings before TERC, defend valuation.
14. TERC Statewide Equalization – attend hearings if applicable to county, defend values, and/or implement orders of the TERC.
15. Education: Assessor and/or Appraisal Education – attend meetings, workshops, and educational classes to obtain required hours of continuing education to maintain assessor certification and/or appraiser license, etc.

Conclusion:

With all the entities of county government that utilize the assessor records in their operation, it is paramount for this office to constantly work toward perfection in record keeping.

With the continual review of all properties, records will become more accurate, and values will be assessed more equally and fairly across the county. With a well-developed plan in place, this process can flow more smoothly. Sales review will continue to be important in order to adjust for market areas in the county.

Respectfully submitted:

Judy McDonald, Assessor

Date

2013 Assessment Survey for Hitchcock County

A. Staffing and Funding Information

1.	Deputy(ies) on staff:
	0
2.	Appraiser(s) on staff:
	0
3.	Other full-time employees:
	2
4.	Other part-time employees:
	0
5.	Number of shared employees:
	0
6.	Assessor's requested budget for current fiscal year:
	\$166,428
7.	Adopted budget, or granted budget if different from above:
	\$193,928
8.	Amount of the total assessor's budget set aside for appraisal work:
	\$48,225
9.	If appraisal/reappraisal budget is a separate levied fund, what is that amount:
	n/a
10.	Part of the assessor's budget that is dedicated to the computer system:
	\$17,000
11.	Amount of the assessor's budget set aside for education/workshops:
	\$2,500
12.	Other miscellaneous funds:
	n/a
13.	Amount of last year's assessor's budget not used:
	n/a

B. Computer, Automation Information and GIS

1.	Administrative software:
	Orion
2.	CAMA software:
	Orion
3.	Are cadastral maps currently being used?
	Yes, the maps are being used until the GIS software is complete
4.	If so, who maintains the Cadastral Maps?
	The assessor and staff
5.	Does the county have GIS software?
	The county contracted with GIS Workshop, Inc. in the summer of 2012 for a GIS system, the program is still being developed.

6.	Is GIS available to the public? If so, what is the web address?
	Yes, www.hitchcock.gisworkshop.com
7.	Who maintains the GIS software and maps?
	At this time the GIS system is still being developed, it is believed that future maintenance will be shared between the assessor's office and the vendor.
8.	Personal Property software:
	Orion

C. Zoning Information

1.	Does the county have zoning?
	Yes
2.	If so, is the zoning countywide?
	Yes
3.	What municipalities in the county are zoned?
	Culbertson and Trenton
4.	When was zoning implemented?
	June 2000

D. Contracted Services

1.	Appraisal Services:
	Stanard Appraisal and Pritchard & Abbot
2.	GIS Services:
	GIS Workshop, Inc.
3.	Other services:
	n/a

E. Appraisal /Listing Services

1.	Does the county employ outside help for appraisal or listing services?
	Yes, for the commercial class of property and for the appraisal of oil and gas mineral interests.
2.	If so, is the appraisal or listing service performed under contract?
	Yes
3.	What appraisal certifications or qualifications does the County require?
	The county does not specify requirements; however, both appraisal firms employ qualified individuals who conduct work within the county.
4.	Have the existing contracts been approved by the PTA?
	Yes
5.	Does the appraisal or listing service providers establish assessed values for the county?
	Yes, for both the commercial parcels and for the oil and gas mineral interests.

2013 Certification for Hitchcock 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 Hitchcock 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

