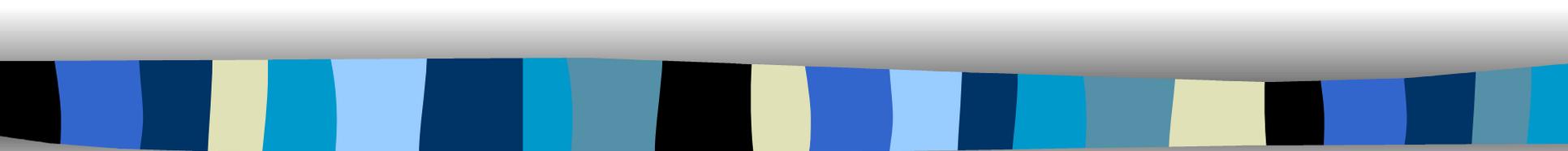
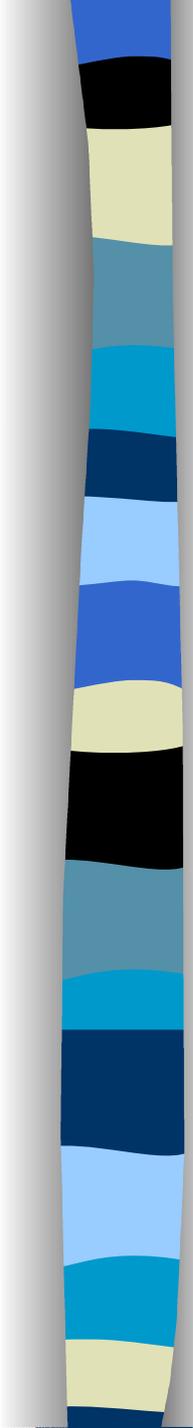


# Sale Ratio Study



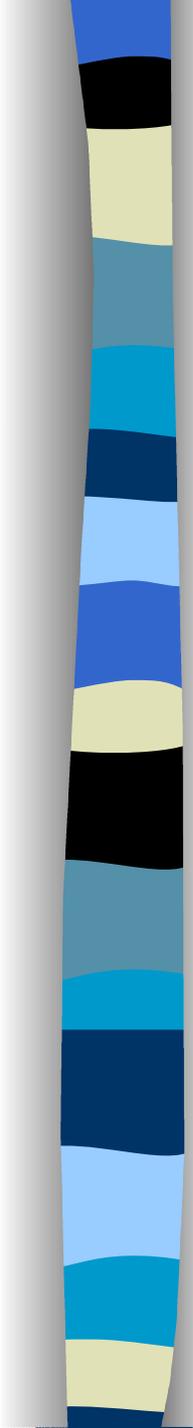
## 2008 Review of Standards

State Tax Commission  
Property Tax Division



## 59-2-704.5

- Adopt standards by rule
  - Assessment levels
  - Valuation deviations (uniformity)
- Consider IAAO standards
- Review by Rev & Tax every 5 years



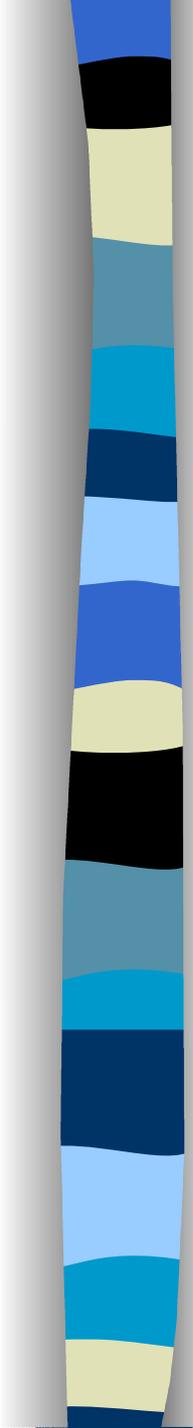
# 59-2-704

## ■ Annual study

- Evaluate county appraisal performance
- Compare **assessed value to market value**
  - Assessment level
  - Uniformity

## ■ Orders

- Factoring or corrective action
- Countywide, class & geographic area



# Assessment Level

## ■ Property A

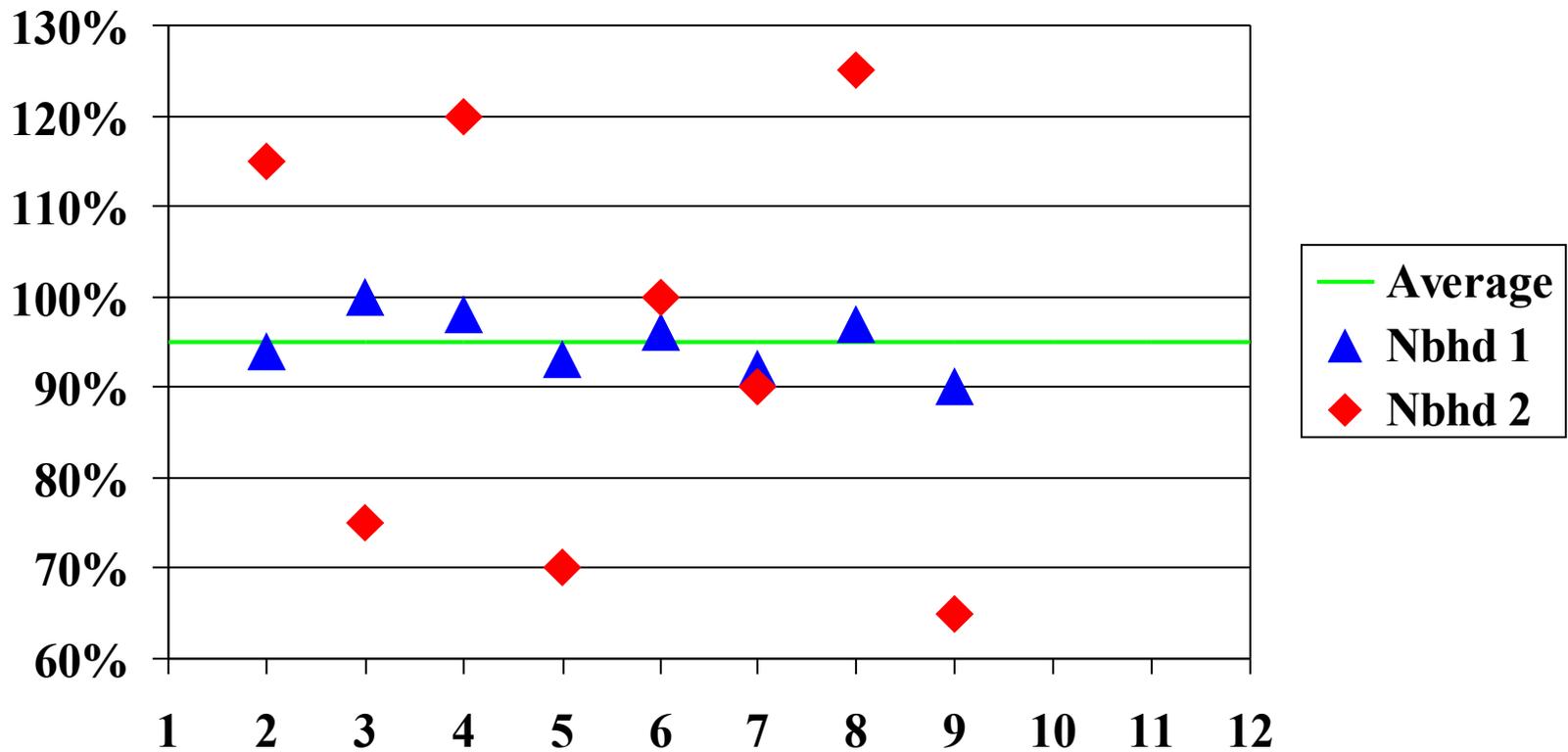
– Assessed value	<u>\$150,000</u>	<b>100%</b>
– Sale price	\$150,000	

## ■ Property B

– Assessed value	<u>\$135,000</u>	<b>90%</b>
– Sale price	\$150,000	

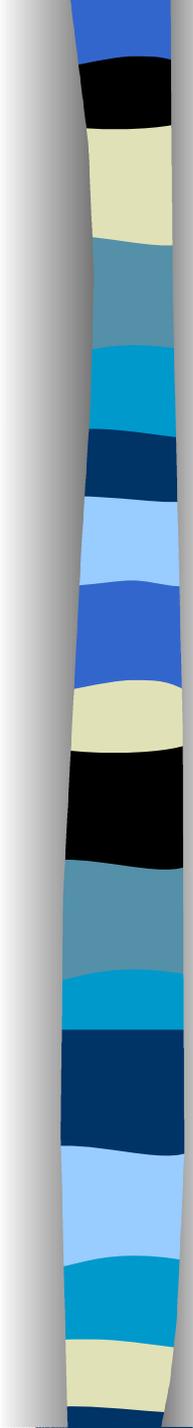
**Average Sale Ratio = 95%**

# Uniformity



**Nbhd 1 = Low Dispersion**

**Nbhd 2 = High Dispersion**



# Standards

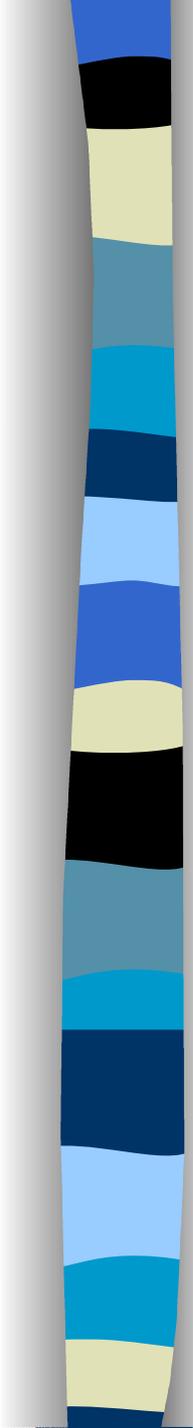
***R884-24P-27***

- Assessment levels
  - **Within 10% of market** (*mean, median*)
- Valuation deviations (uniformity)
  - **Low dispersion** (*COV, COD*)
- By class & geographic area
- Minimum sample = 10 ratios
- *Conform with IAAO Standards*

# Uniformity Standards

	Urban		Rural	
	<b>COD</b>	<b>COV</b>	<b>COD</b>	<b>COV</b>
Primary Residential	15	19	20	25
Commercial	20	25	25	31
Land	20	25	25	31
Secondary Residential	20	25	25	31

*Or less*



# Corrective Action

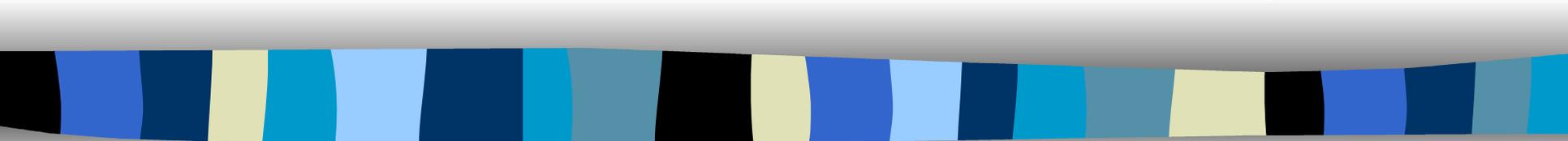
## ■ **Assessment level**

- Factor order

## ■ **Valuation deviations**

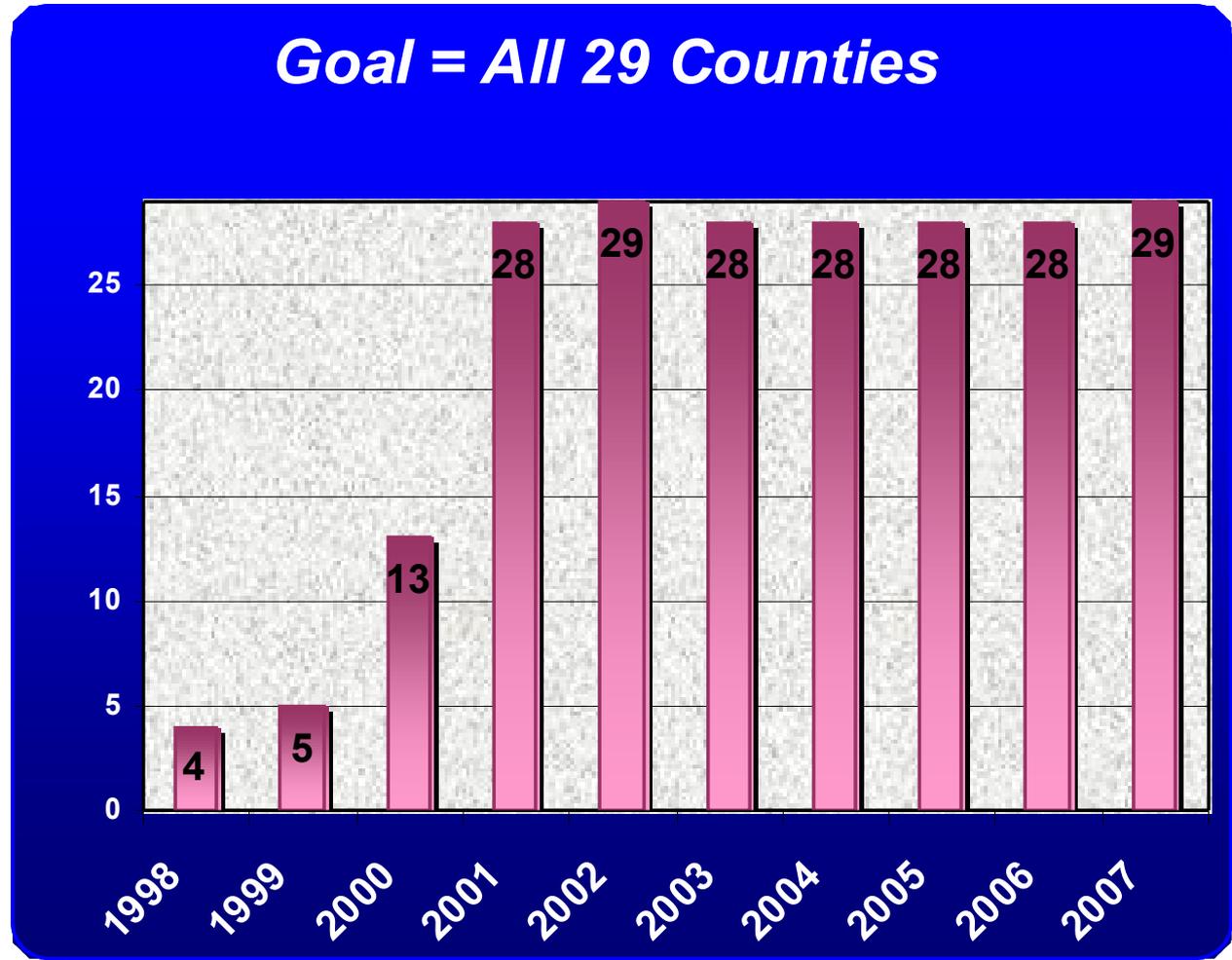
- Land guideline updates
- System and process suggestions
- Technical assistance
- Resource evaluation

# Sales Ratio Study

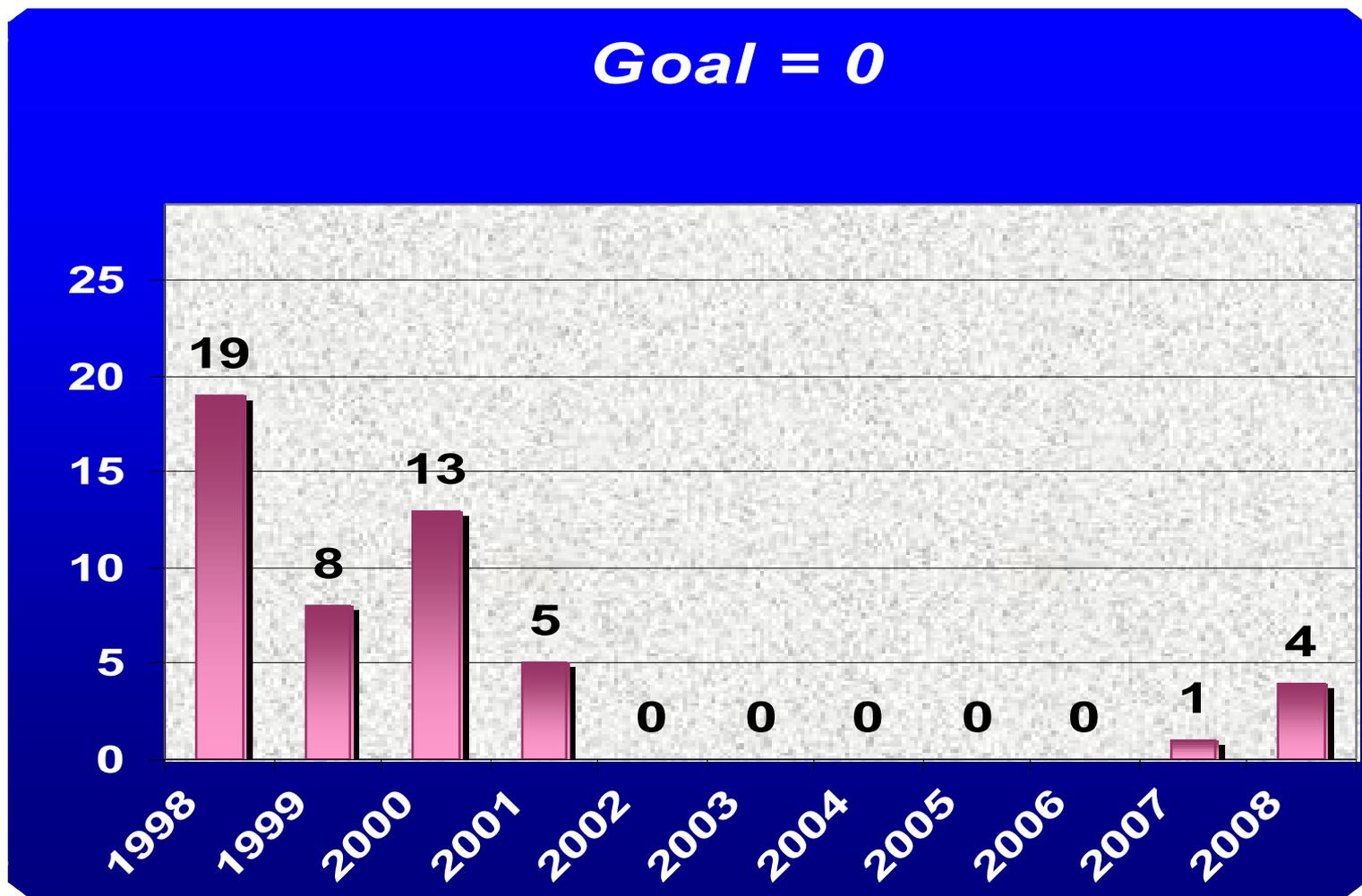


Measured Performance

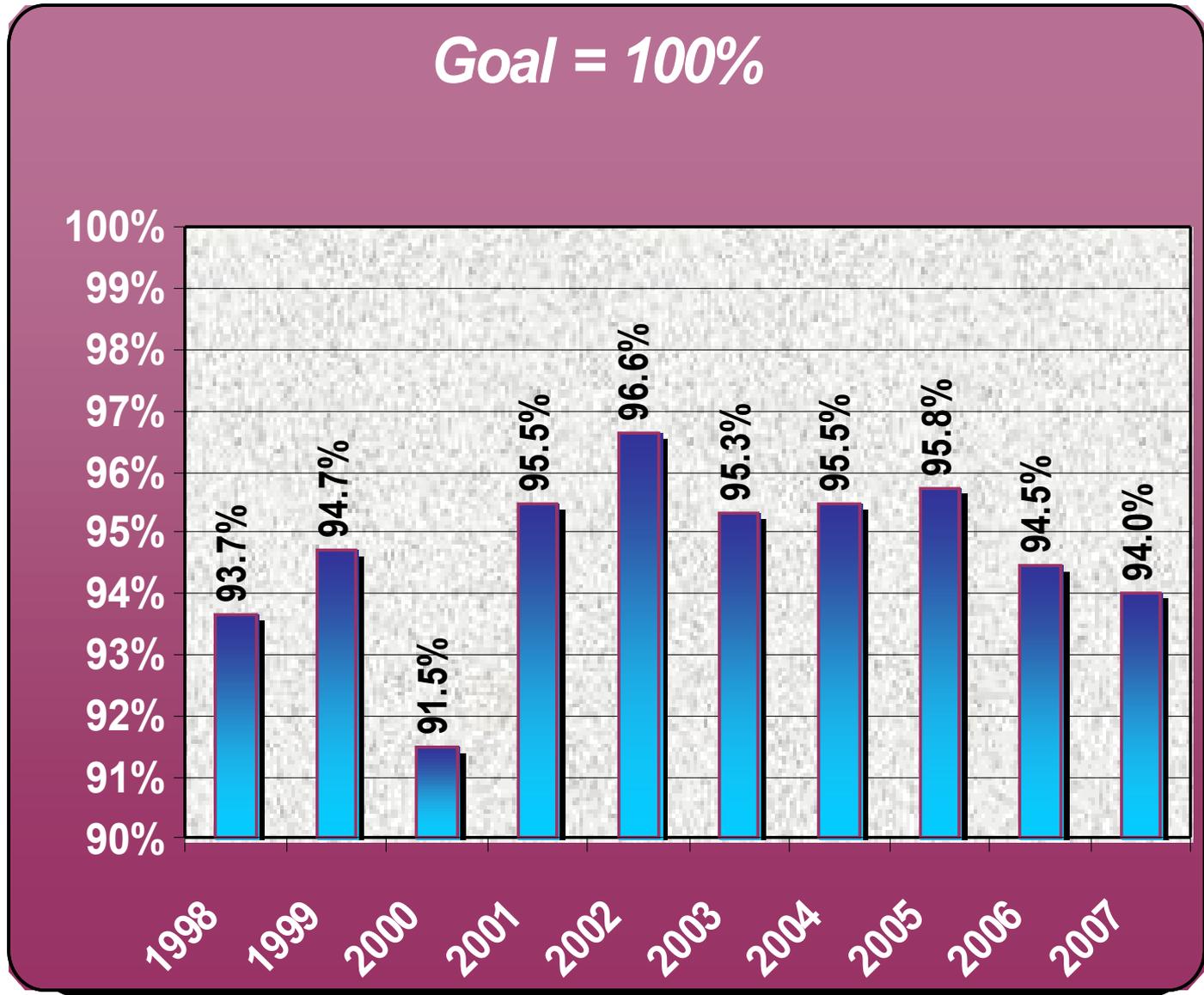
# April Studies Conducted



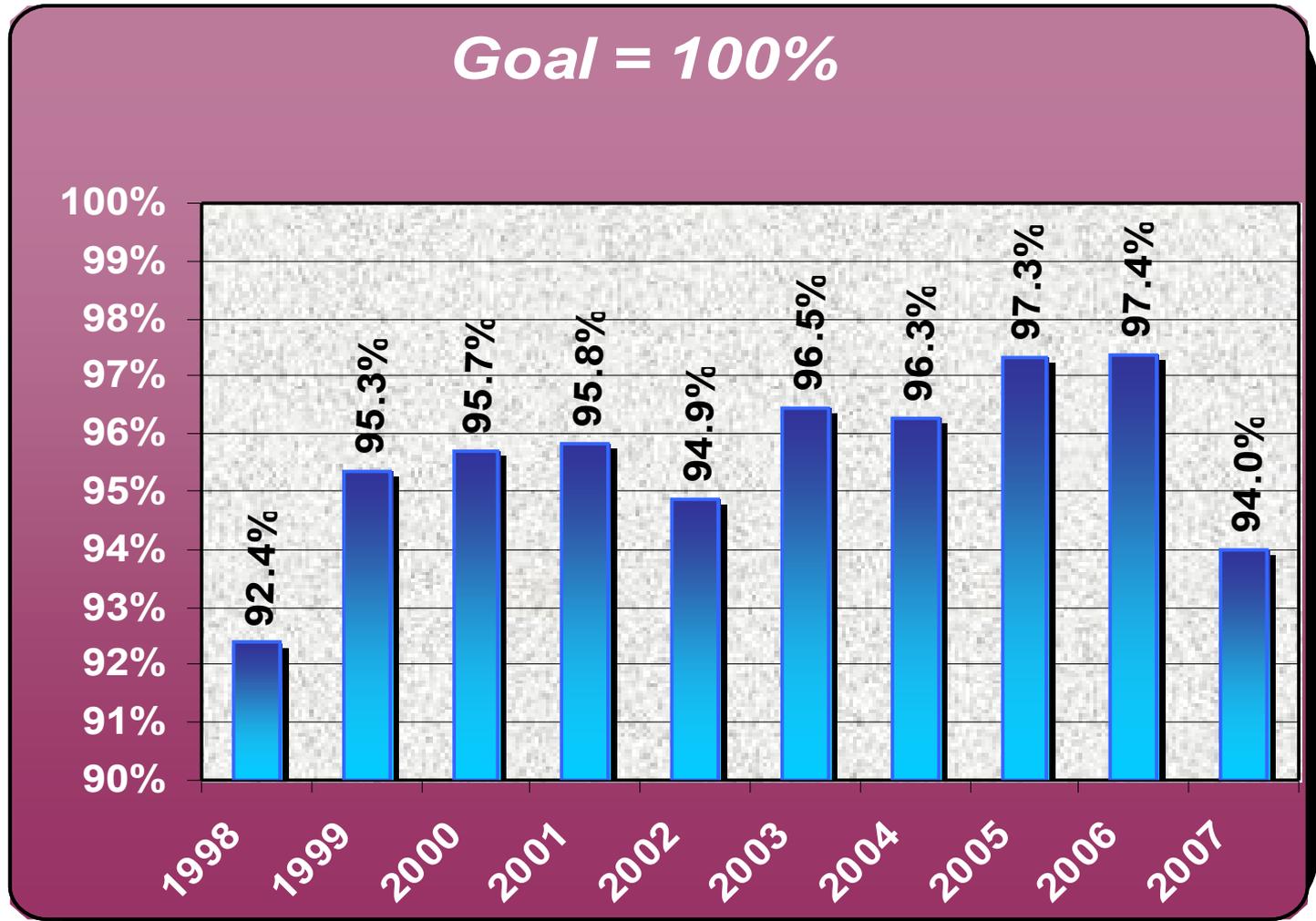
# Corrective Action Orders Issued



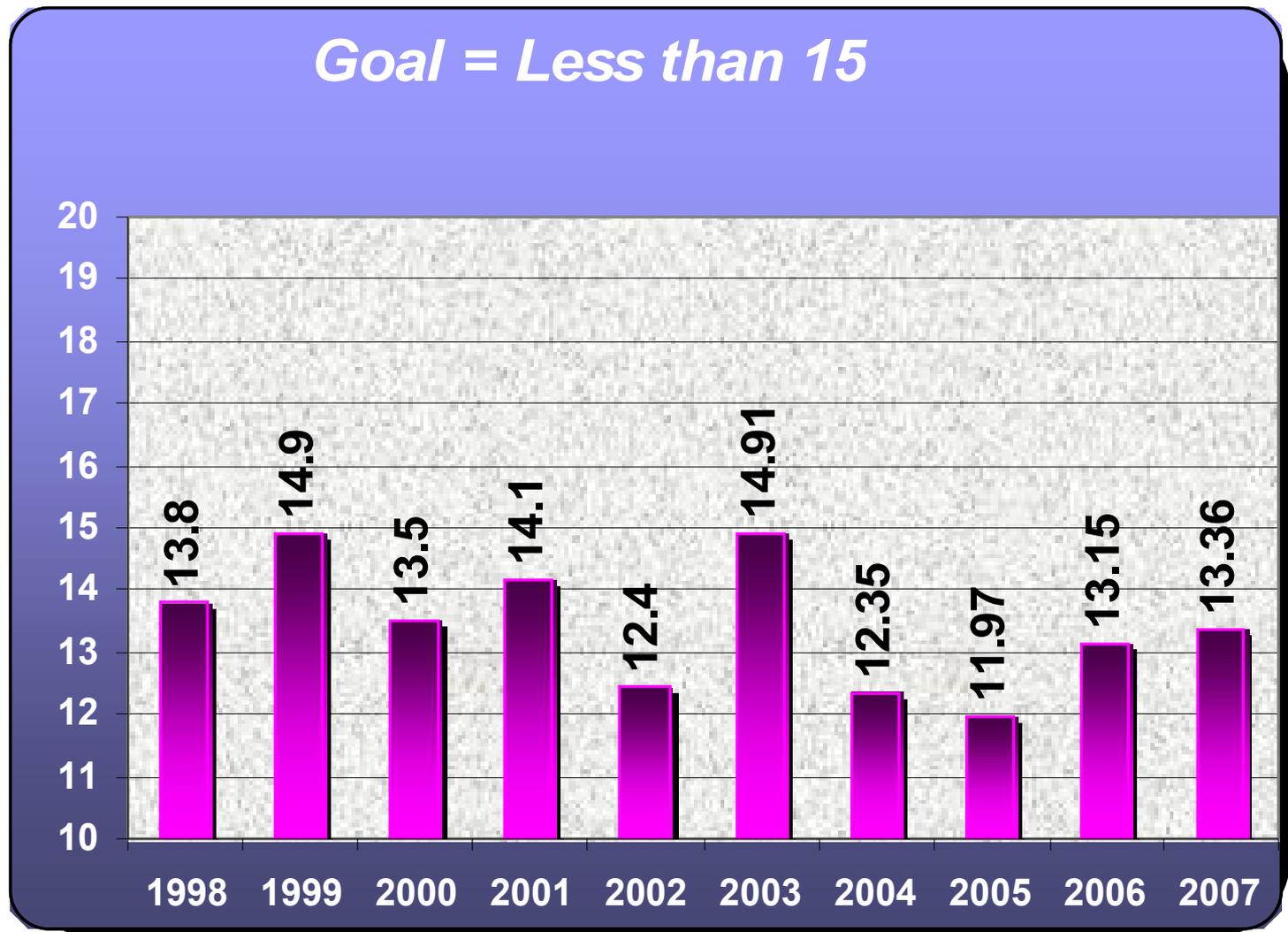
# Assessment Level -- Residential



# Assessment Level – Vacant Land

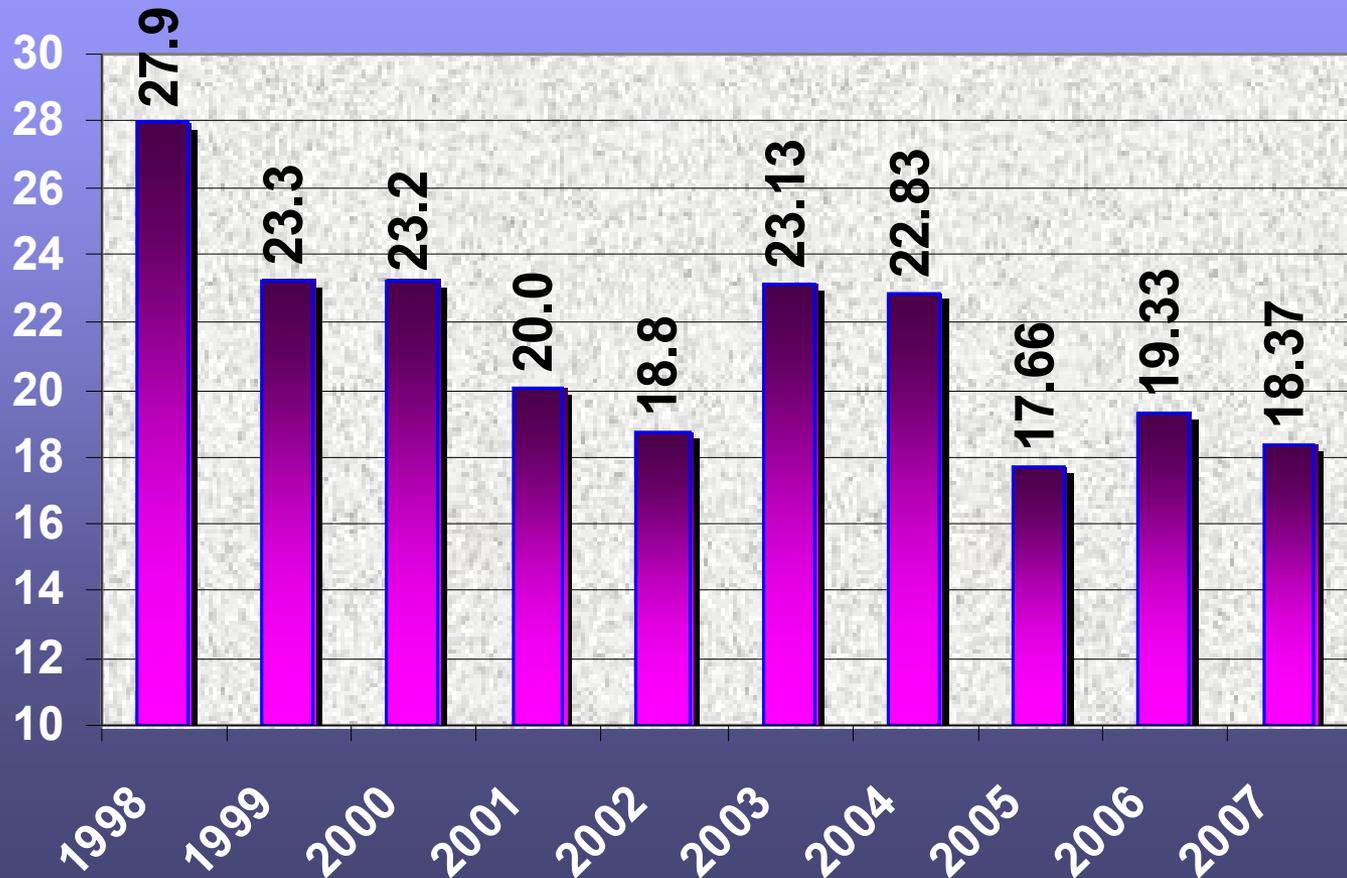


# Dispersion (COD) -- Residential

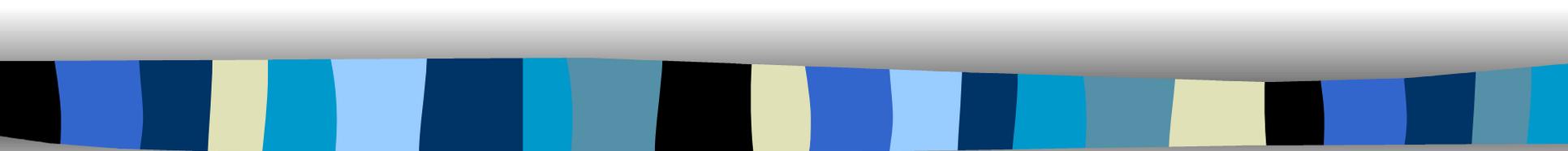


# Dispersion (COD) – Vacant Land

*Goal = Less than 20*

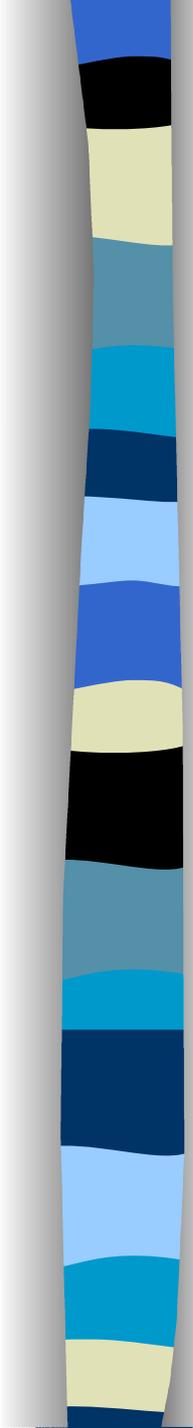


# Proposed Changes to Administrative Rules



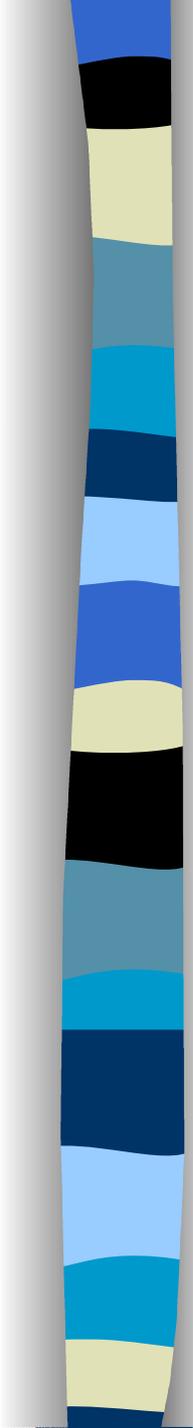
**R884-24P-27**

**HB 54**



# R884-24P-27

- Change all language from the term “reappraisal” to “detailed review”
- Test for dispersion on a county-wide basis
- Change dispersion standards to be consistent with IAAO standards

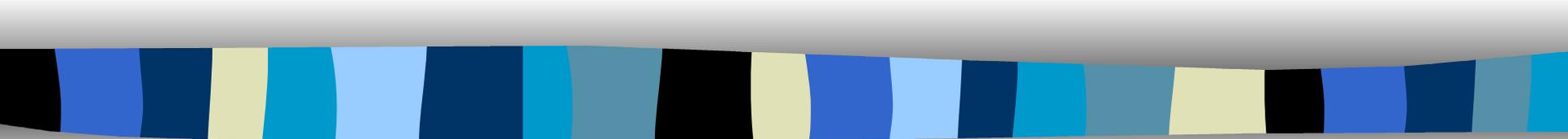


# New rule proposals for implementation of HB 54

## **Define the following:**

- ✓ Accepted valuation methodologies.
- ✓ Detailed review of property characteristics
- ✓ Five-year Plan
- ✓ Last property review date
- ✓ Database

# Oversight & Auditing



**Assessment/ Appraisal Review**  
**Detailed Review Area Audit**

# Assessment/ Appraisal Review

- is a comparison of average value changes between samples of sold and non-sold properties.

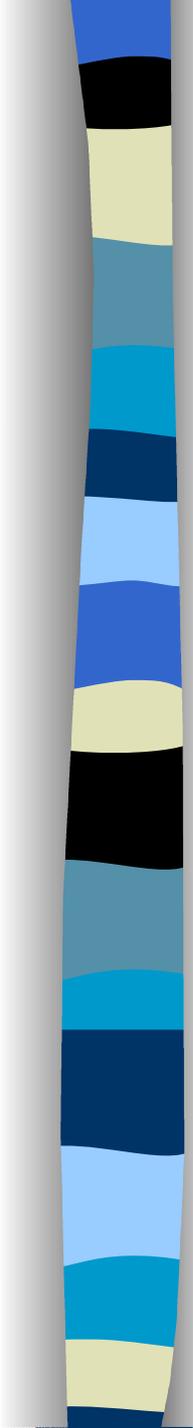
## Example

Average Change of Sold Properties – 1.12

Average Change of Non-Sold Properties – 1.10

$$1.12 / 1.10 = \underline{1.018}$$

Expected Range .98 – 1.03



# Detailed Review Area Audit

- Determine number of parcels reviewed
- Are minimum property characteristics being collected
- Land guidelines match valuation of land
- Valuation process being applied uniformly
- On-site audit of randomly selected parcels

# State Oversight Summary

- ✓ **Sales Ratio Study**
- ✓ **Assessment/Appraisal Review**
- ✓ **Detailed Review Area Audit**