

# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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## Ratio Study Narrative 2022

General Information	
<b>County Name</b>	BROWN COUNTY

Person Performing Ratio Study			
Name	Phone Number	Email	Vendor Name (if applicable)
Ken Surface	317-753-5555	ken@nexustax.com	Nexus Group

Sales Window	1/1/2021 to 12/31/2021
<p><b>If more than one year of sales were used, was a time adjustment applied?</b></p> <p>Sales window of 1/1/2021 thru 12/31/2021 was predominately used throughout the entire study. The sales window was expanded to include sales from 1/1/2020 thru 12/31/2020 for the following analysis due to a lack of sales:</p> <ul style="list-style-type: none"> <li>Commercial improved, Washington township used 4 sales form 2020 as there was only 4 sales in 2021 to be used.</li> <li>Vacant Residential, Van Buren used 5 from 2020 as there was only 9 usable 2021 sales</li> <li>Vacant Residential, Jackson used 15 from 2020 as there was only 3 usable 2021 sales</li> </ul> <p>All 2020 sales used were the same sales used in the 2021 ratio study unless a significant change took place.</p>	<p><b>If no, please explain why not.</b></p> <p>There was no time adjustment of any sales outside of the mandated time period as there isn't enough supporting evidence to accurately adjust with confidence. Very limited sales and zero paired sales of comparable properties</p>
	<p><b>If yes, please explain the method used to calculate the adjustment.</b></p>

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Groupings
<p>Please provide a list of township and/or major class groupings (if any). Additionally, please provide information detailing how the townships and/or major classes are similar in market.</p> <p><b>**Please note that groupings made for the sole purpose of combining due to a lack of sales with no similarities will not be accepted by the Department**</b></p>
<p>There were no groupings.</p> <p>Statistical studies were not completed in the classes of Industrial Vacant, Industrial Improved, Commercial vacant as there were not enough sales despite looking outside of the timeframe.</p> <p>The townships of Hamblen, Jackson and Van Buren did not have a statistical study within the Commercial Improved class due to lack of properties and sales.</p>

AV Increases/Decreases		
<p>If applicable, please list any townships within the major property classes that either increased or decreased by more than 10% in total AV from the previous year. Additionally, please provide a reason why this occurred.</p>		
Property Type	Townships Impacted	Explanation
Commercial Improved	Hamblen	Increase was due to 1 additional parcel, previously assessed as AG, land changes and cost table changes
	Jackson	Increase was due to land and cost table changes. Area was also reassessed
Commercial Vacant		
Industrial Improved	Hamblen	Only 1 parcel increased in land and cost tables

<b>Industrial Vacant</b>	Hamblen	Only 1 parcel increased increase result of land change
<b>Residential Improved</b>	Hamblen	Increase result of trending and cost table changes
	Jackson	Increase result of reassessment, trending and cost table changes
	Van Buren	Increase result of trending and cost table changes
	Washington	Increase result of trending and cost table changes
<b>Residential Vacant</b>		

### Cyclical Reassessment

**Please explain which townships were reviewed as part of the current phase of the cyclical reassessment.**

Jackson Township was the predominate township assessed during this cyclical period. Additionally the Lake Lemmon area which resides within this township was also reassessed despite being reassessed in 2019 for better uniformity. The Lake Lemmon area has 261 parcels. Miscellaneous parcels throughout the other townships were reassessed as outlined in the original reassessment plan.

**Was the land order completed for the current cyclical reassessment phase? If not, please explain when the land order is planned to be completed.**

Annual adjustments to the land order were completed and will be implemented for the 2022 assessment date

### Comments

**In this space, please provide any additional information you would like to provide the Department in order to help facilitate the approval of the ratio study. Such items could be standard operating procedures for certain assessment**

**practices (e.g. effective age changes), a timeline of changes made by the assessor's office, or any other information deemed pertinent.**

When determined appropriate, the standard operating procedure (SOP) for making effective age changes is based upon the following:

- Additions – compute an effective age based upon utilizing the original year constructed, the original square footage, the additional square footage added and any additional renovations taking place in the year of construction establishing a weighted average of all the components of value.
- Remodels/Renovations – compute an effective age based utilizing the original year constructed, the percentage of the entire house that was renovated, utilizing the DLGF percentage of completion chart to assist in establishing a weighted average of all the components of value).

IAAO Ratio Study standards indicate that “outlier ratios” can result from any of the following:

1. An erroneous sale price
2. A nonmarket sale
3. Unusual market variability
4. A mismatch between the property sold and the property appraised
5. An error in the appraisal of an individual parcel
6. An error in the appraisal of a subgroup of parcels
7. Any of a variety of transcription or data handling errors in preparing any ratio study

Outliers should be:

1. Identified
2. Scrutinized to validate the information and correct errors
3. Trimmed if necessary, to improve sample representativeness

As a result, there were individual parcels that met these guidelines and were trimmed. Reference the file titled Brown Reconciliation File for those sales that were trimmed