

August 4, 2009

Mr. Barry Wood
Assessment Director
Department of Local Government Finance
100 N. Senate Ave., Room N1058
Indianapolis, IN 46204

RE: Marshall County 2009 Pay 2010
Ratio Study Reports

Dear Barry,

Ratio Studies were performed on all 187 neighborhoods in Marshall County using sales from 2007 and 2008. Because there were not a sufficient number of valid 2008 sales to produce a representative sample, a Regression Analysis report was run to determine if a time adjustment was necessary for the 2007 sales prices in comparing to 2008 sales prices. The percent change from 2007 to 2008 prices resulted in a **.25%** increase, or no time adjustment necessary. Trending factors were calculated and applied and the results were studied again for further analysis where required. All sold and unsold properties were treated equally and equitably. If there were no sales in a neighborhood, then it was compared to a similar neighborhood or an overall taxing district factor was applied. The trending factors were applied to all properties within each neighborhood.

Appealed Parcels: We continue to watch our appealed parcels from last year to identify problem areas. Appraisals submitted as evidence with an appeal are being logged along with property listings.

Sheriff Sales: Prior to submitting our 2008 Sales Disclosure file, we made all Sheriff Sales invalid after the review that showed these sales were not clustered in one area but scattered throughout the county. The 2nd and 3rd sales after the foreclosure were reviewed individually and validated accordingly.

Rental Properties: This was our 4th year for taxpayers to submit rental information to establish GRM and market rents in Marshall County.

Areas that required more concentration that were based on the results of the initial ratio studies are as follows:

- For 2009 Pay 2010, a new neighborhood in German Township was created (1400517) because of a sufficient number of sales from 2006, 2007 and 2008. The 2006 sales were time adjusted at 3%, a new land base rate was calculated, all improvements were reassessed, neighborhood factor put back to 100%, and a new trending factor of 109% was applied to improvements only.

- Six (6) parcels from Venetian Village (800204) on Lake Maxinkuckee were moved to Lakefront South (800206) as location, access to lake, and sales prices are more similar to Lakefront South land base rates.
- Developer's influence deductions were removed from vacant land parcels that have sold from the developer and the correct AV is shown in the residential vacant sales reports. Vacant land sales that are now improved are shown in the reports by extracting the improvements, and we removed the developer's influence to show assessment to be at market value.
- Jellystone Campground is located in West Township. I have created an additional tab at the bottom of the excel report to show Jellystone stratified from West residential since we felt that these values should not be equalized with other West Township sales and have followed this same procedure in the past. The market values of these camping lots do not influence other West Township parcels and should stand on their own. I am only showing sales from 2008 as they completely represent the market prices.

The following is an overview of the various classes of property and explanation to assist you in your review. The summary sheet shows the statistics for each township by property class.

Residential Improved

Green Township has only 4 valid sales in 2007 and 2008. As we looked at Green Township for calculating a trending factor, we compared Green to Walnut Township. The four (4) Green Township sales are shown in with Walnut Township.

Union Township had several sales in the sales disclosure file coded as valid sales that after further research showed many of those sales should have been coded as invalid. We have listed the sales that are not used in the ratio study with an explanation of the condition of sale.

In Union Township, Culver Cove Condominiums are a 411 class code instead of a 550 class code like other condo developments in our county due to the use being more like a hotel. These condos sell furnished and personal property deduction is noted on each sale.

Residential Vacant

It was determined that Bourbon Township, Green Township, & Polk Township did not contain any Valid Res Vacant Sales for use in a ratio study. We also came to the conclusion that North Township & Walnut Township only contained one (1) Valid Res Vacant Sale each which did not provide a large enough sampling to perform a ratio study. After eliminating incorrectly coded sales in Union Township and West Township, we made the determination to time adjust the 2006 valid sales in order to increase the sample size for the ratio study. German Township, Tippecanoe Township, & Center Township each contained enough Valid Res Vacant Sales from 2007 & 2008 to perform independent ratio studies.

Commercial Improved

Our commercial improved sales from 2007 and 2008 are combined into a countywide ratio report due to lack of sales. Green, Polk and Tippecanoe have no commercial improved sales and the remaining townships have been combined to show that assessments are within guidelines.

Commercial Vacant

Due to lack of commercial sales across the county, we have combined all vacant commercial sales into a single report. We have reached beyond the recommended time period and time adjusted two 2006 vacant sales to further prove equity within the assessments. (Calculations can be seen at the red comment indicator within the sales price cell)

Industrial Improved

We have combined Bourbon, German, West and Center Township industrial improved sales into a countywide ratio study report. The remaining townships contain no valid industrial improved sales.

Industrial Vacant

There were insufficient industrial vacant land sales in Marshall County that were arms-length transactions to show in a ratio study. We applied trending factors to the vacant industrial parcels based on a countywide study of sales.

Sincerely,

Debbie Dunning
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