



Reappraisal Refresher





Objectives

- Discuss the Property Tax Plan for Equalization
- Review the methods and procedures for construction cost index studies
- Understand the procedures and requirements for land schedules
- Cover the requirements for sales ratio study



Reappraisal Refresher

PROPERTY TAX PLAN FOR EQUALIZATION



ALABAMA DEPARTMENT OF REVENUE

PROPERTY TAX DIVISION



Property Tax Plan for Equalization

- Pages 1-10: Overview of the plan
- Page 11: Timeline for completion
- Addendum A: Market Value
- Addendum G: Land Valuation
- Addendum I: Proofing & Correlation of Value
- Addendum J: Developing a Cost Index & Land Schedule
- Addendum M: Sales Ratio Study
- Addendum O: Annual Equalization Procedures



ADOR's Duties and Responsibilities

2. The Property Tax Division Duties and Responsibilities:

- g. Advise, direct and assist counties with general data analysis and perform specialty or intricate and involved analyses.
- h. Advise, direct and assist counties with the development of the construction index and/or trending factors.
- i. Advise, direct and assist counties with the development and application of land valuation tables, schedules, etc.
- j. Advise, direct and assist counties with the development of factors and multipliers applicable to the income approach to value.



Property Tax Timeline: Pg. 11

Year 1	Oct	Nov	Dec	Jan	Feb	Mar
	Mapping Complete by 10/31 Start Index And Land Studies		Field Review Annual Maint & 25% Inventory	Apply and Finalize Index and Land Values	Final Review Correlate Values; Equalization Ratio Study Completed	Mail Notices
	Apr	May	Jun	Jul	Aug	Sep
	BOE Hearings			Prepare Assessments	Abstract Due 2nd Monday	
Year 2	Oct	Nov	Dec	Jan	Feb	Mar
	Mapping Complete by 10/31; Start Trending Analysis		Field Review Annual Maint & 25% Inventory	Apply Trending Finalize Values	Correlate Values; Equalization / Base Year Sales Ratio Studies Completed	Mail Notices
	Apr	May	Jun	Jul	Aug	Sep
	BOE Hearings			Prepare Assessments	Abstract Due 2nd Monday	



Appraisal & Assessing Deadline

Section 40-7-27

Assessor to certify correctness of returns, notify Department of Revenue and deliver to board of equalization.

When the assessor shall have completed his work of assessing, valuing, and equalizing property which has been listed for taxation in his county, and such valuation shall have been entered on the assessments lists, which shall not be later than the last Monday in February of each year, he shall certify over his signature to the correctness of his returns, showing valuations fixed by him, and he shall at once notify the Department of Revenue by certified or registered mail that he has completed his assessment, valuation, and equalization work and that the tax returns are ready for the review and inspection as provided for in this title. Such lists of property shall be by the assessor delivered to the board of equalization not later than the second Monday in March.

(Acts 1935, No. 194, p. 256; Code 1940, T. 51, §57.)



Construction Cost Index





Construction Cost Index: General

- Serves as an adjustment for:
 - Location
 - Time
- Addendum J – Guidelines for Development of Cost Index & Land Schedules
- Alabama Appraisal Manual, Chapter 6
- Sample dates:
 - Typically October 1st – September 30th is approved
 - (April 1st – October 1st unless approved by ADOR)



Construction Cost Index: Discovery

- **Contractors:**
 - Great source of information
 - Too many from one may cause the study to be rejected
- **Updates:** very beneficial source
- **Building Permits:** potentially valuable source
- **Tax Roll:** interview upon assessment by taxpayer
- **Realtors (MLS):** costs, descriptions other info.
- **Equalization Hearings:** formal & informal
- **Owners:** personal interview, questionnaire, phone



Construction Cost Index: Required Data

- **Construction Cost**
 - The cost of new construction must be verified
 - Looking for: “replacement cost to the owner”
- **Land Values** – if using the abstraction method, land values are critical



Cost Index: Development

- **Field Inspection**
 - **Measure & List** (carefully)
 - Square building in the field
 - Upper floor accuracy
 - Construction unit accuracy (25% increments)
 - **Class:** Consistency is vital
 - **Photograph**
 - Front is required
 - Four sides is preferred (may be submitted digitally)
 - **Interview owner**



Cost Index: Development

- **Calculation of Improvements**
 - **Sketch:**
 - buildings are sketched in the CAMA system
 - Picture of sketch inserted on back page of PRC calculator
 - **Calculate Building:** using back page of 2015 PRC calculator
 - **Determine Indicated Index**
 - Indicated Index = $\text{New const. cost} / 2015 \text{ manual cost}$
 - New construction cost is entered on the bottom right of the front page of the PRC calculator
 - **Insert Picture:** insert picture on front page of PRC calculator



Reappraisal Refresher

PRC Calculator Front Page

XX	17	04	17	0	000	024.013					SAMPLE #1	INDEX	
COUNTY	TSP	AREA	SECTION	1/4 SEC.	BLOCK	PARCEL NO					NEW CONSTRUCTION 2015	\$115,362.00	
ZONING		NEIGHBORHOOD I.D.		LAND USE		ROUTING NO.					2015 COST	\$117,737.00	
ACCOUNT NO.						MUN. CODE					INDICATED INDEX	97.98%	
LOT SIZE		ACREAGE		ASSMT. CLASS		OWNERS NAME							
Sellers Builders, Inc													
REPLACEMENT COST SUMMARY													
					IMPROVED SALE					BUILDING CONTRACT			
NOTES:			APPRaiser		DATE		DATE		TYPE		SALE PRICE		
							MO. YR.		1 LAND				
									2 L & B				
									1 2				
									1 2				
BUILDING PERMIT													
							NUMBER		DATE		AMOUNT		
LAND COMPUTATION													
NONE	[]	CODE	ACTUAL FRONTAGE	EFFECTIVE FRONTAGE	EFFECTIVE DEPTH	UNIT PRICE	DEPTH FACTOR	ACTUAL PRICE	INFLUENCE FACTOR	MARKET VALUE			
LOTS									100%	100%			
									100%	100%			
									100%	100%			
									100%	100%			
SQ. FT.			SQ. FT.						100%	100%			
			SQ. FT.						100%	100%			
			SQ. FT.						100%	100%			
ACREAGE			ACRES						100%	100%			
			ACRES						100%	100%			
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			ACRES						100%	100%			
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			ACRES						100%	100%			
SITE VALUE			ACRES						100%	100%			
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**** Check Your Work! ****

- **Scrutinize everything**
 - Does everything match? (sketches, pictures, construction costs, 2015 manual costs, indicated indices, etc.)
 - Are construction units recorded correctly?
 - HB Lap vs Hardie Plank
 - Foundations
 - Is building classification consistent & accurate
 - Are costs verified?
 - If using abstraction, is the land value accurate?



Selection of Index Factor

- Subjects should be representative of all areas of the county
- Statistical analysis of indicated indices
 - **Median**
 - **Mean**
 - **COD** = $100 \times (\text{AAD} / \text{Median})$
 - **Weighted Mean** = $(\text{sum of costs}) / (\text{sum of 2015 manual costs})$
 - **PRD** = $\text{mean} / \text{weighted mean}$
 - Show the method used for each sample & the builder's name where applicable



Reappraisal Refresher

Sample Statistics Page

SAMPLE	PARCEL NUMBER	USE CODE	YR BLT	CLASS	TAA	H&C AREA	COST / H&C AREA	ACTUAL COST	2005 MANUAL	METHOD	BUILDER NAME	INDICATED INDEX
19	17-03-08-0-000-032.109	111	2014	C0	2,291	1,839	\$85.92	\$158,000.00	\$145,116.00	Abstraction	Faulkner Construction	1.09
16	17-03-08-0-000-031.116	111	2014	D+	1,768	1,475	\$79.09	\$116,658.00	\$106,180.00	Abstraction	Delta Land Company, LLC	1.10
17	17-03-08-0-000-031.117	111	2014	D+	1,822	1,524	\$79.81	\$121,625.00	\$109,307.00	Abstraction	Delta Land Company, LLC	1.11
14	17-03-08-0-000-031.110	111	2014	D+	1,625	1,348	\$82.01	\$110,550.00	\$98,461.00	Abstraction	Delta Land Company, LLC	1.12
4	10-09-30-1-001-005.034	111	2014	D-	1,280	1,232	\$65.75	\$81,000.00	\$70,543.00	Abstraction	Poets Construction	1.15
20	17-04-17-0-000-023.008	111	2014	C0	2,038	1,660	\$89.36	\$148,340.00	\$128,918.00	Abstraction	Faulkner Construction	1.15
15	17-03-08-0-000-031.111	111	2014	D+	1,796	1,496	\$85.00	\$127,155.00	\$107,783.00	Abstraction	Delta Land Company, LLC	1.18
13	17-03-08-0-000-031.094	111	2014	D+	1,584	1,541	\$75.95	\$117,038.00	\$95,700.00	Abstraction	Trojan Construction	1.22
5	10-09-30-1-004-001.001	111	2014	C-	1,423	1,392	\$80.59	\$112,180.00	\$89,447.00	Abstraction	Gilmore Construction	1.25
3	10-09-30-1-001-005.014	111	2014	D0	1,280	1,232	\$79.42	\$97,850.00	\$73,756.00	Abstraction	Poets Construction	1.33
6	12-02-10-0-000-009.001	111	2014	D+	2,829	2,394	\$66.83	\$160,000.00	\$153,952.00	Lock & Key	America's Home Place	1.04
24	17-05-15-0-000-002.066	111	2014	C-	1,770	1,413	\$82.00	\$115,866.00	\$108,942.00	Lock & Key	Thomas & Jackson Construction	1.06
11	17-03-08-0-000-031.010	111	2014	C0	1,876	1,533	\$84.33	\$129,280.00	\$116,560.00	Lock & Key	Faulkner Construction	1.11
23	17-05-15-0-000-002.065	111	2014	C-	1,912	1,528	\$85.00	\$129,880.00	\$117,016.00	Lock & Key	Trojan Construction	1.11
9	17-02-09-2-001-001.040	111	2014	C+	2,418	2,075	\$84.90	\$176,165.00	\$156,436.00	Lock & Key	Helms Construction	1.13
21	17-04-17-0-000-024.008	111	2014	D+	1,940	1,596	\$78.00	\$124,488.00	\$109,629.00	Lock & Key	Sellers Builders, Inc.	1.14
18	17-03-08-0-000-032.092	111	2014	C+	2,803	2,328	\$89.60	\$208,584.00	\$183,417.00	Lock & Key	Helms Construction	1.14
8	17-02-09-0-000-002.021	111	2014	C+	2,357	1,972	\$89.14	\$175,788.22	\$154,284.00	Lock & Key	Helms Construction	1.14
7	17-02-04-2-001-001.008	111	2014	E+	1,028	1,000	\$62.00	\$62,000.00	\$53,853.00	Lock & Key	Trojan Construction	1.15
12	17-03-08-0-000-031.058	111	2014	C+	2,557	2,222	\$85.40	\$189,750.00	\$163,155.00	Lock & Key	Gilmore Construction	1.16
22	17-04-17-0-000-024.013	111	2014	D0	1,842	1,479	\$78.00	\$115,362.00	\$99,163.00	Lock & Key	Sellers Builders, Inc.	1.16
2	10-08-33-3-005-001.001	111	2014	E+	1,130	1,092	\$62.00	\$67,704.00	\$57,664.00	Lock & Key	Trojan Construction	1.17
1	09-08-28-0-000-004.002	111	2014	D+	2,594	2,198	\$79.62	\$175,000.00	\$142,392.00	Lock & Key	America's Home Place	1.23
27	22-03-08-0-000-020.000	111	2014	D0	1,663	1,572	\$70.00	\$110,040.00	\$88,901.00	Lock & Key	Henley Construction	1.24
26	21-04-17-0-000-001.005	111	2014	B-	2,963	2,165	\$132.10	\$286,000.00	\$211,808.00	Lock & Key	Griffin Construction	1.35
10	17-02-09-2-001-001.047	651	2014	C0	4,825	4,812	\$110.00	\$529,320.00	\$368,604.00	Lock & Key	Ingram Construction	1.44
25	18-07-36-0-000-004.012	111	2014	C0	2,757	2,292	\$103.84	\$238,000.00	\$162,029.00	Lock & Key	Helms Construction	1.47

Sorted by Method

MEAN INDEX:	1.18
MEDIAN INDEX:	1.15
COD:	6.20
WEIGHTED MEAN:	1.20
PRD:	0.98



Proofing the Indicated Index Factor

- Proofing must be done prior to submission to ADOR for approval
- Proof the indicated index factor using sales of all types of property, old and new
 - This is a good time to verify that properties have been depreciated on the schedule



Request for Approval

- Presentation booklet
 - The **Index Study PRC** calculator is used for developing printed sample sheets for each index sample, and must contain:
 - Sketch
 - Photograph
 - Parcel number
 - Contractor or seller's name
 - New construction cost
 - Base year construction cost (2015 manual)
 - Indicated index factor



Request for Approval continued

- **Summary Statistics Page**
- **Letter**
 - Submit a letter requesting review of the new indicated index factor
- **Check everything one more time**
- Submit study to ADOR district supervisor
 - Include proofing study documentation
 - Briefly explain any problems incurred
- Final approval will be made by ADOR Field Operations Supervisor



Reappraisal Refresher

Rural Land Schedules





Land Schedule: General Information

- Guidance may be found in:
 - Addendum G – Land Valuation
 - Addendum J – Guidelines for Development of Cost Index and Land Schedules
- Must be supportable & defensible
- “Should have attached documents and sales information so that a person having knowledge of appraisal techniques will understand the conclusion of value” - Property Tax Plan for Equalization



Land Schedule: Sales Verification

- Sale dates: Typically October 1st – September 30th is approved
- All sales must be verified with the buyer, seller, or someone having personal knowledge of the sale.
- An on-site inspection must be made of each sale
- Timber, personal property or properties other than land must be abstracted from the sale price



Small Tract Schedule General Info.

- Small tract “cut off” acreage will be determined by the market
 - The point where tracts of land generally sell for the same price per acre
 - What may be considered a small acreage tract in one county may be considered a large tract in another
- **Take care that small tract and large tract do not overlap** (no large tract values higher than small tract values)
- Schedules: **SA** (paved), **SB** (unpaved), **SC** (limited access)



Overlapping Land Schedule Example:

SMALL TRACT

LOCATION	A	B	C	D
ACREAGE	STATE	CO. PAVED	CO. UNPAVED	LAND LOCKED
1.0	5475	5150	4705	3475
2.0	4825	4765	4380	3280
3.0	4445	4380	3995	3090
4.0	3990	3865	3675	2735
5.0	3865	3675	3350	2445
6.0	3540	3350	3090	2155
7.0	3280	3090	2835	1905
8.0	3090	2835	2645	1735
9.0	2900	2645	2445	1645
10.0	2705	2450	2190	1545
11.0	2575	2250	2060	1480
12.0	2450	2190	1995	1390
13.0	2320	2130	1930	1330
14.0	2190	2060	1870	1230
15.0	2060	1995	1805	1210
16.0	1930	1870	1735	1160
17.0	1870	1805	1675	1125
18.0	1805	1735	1610	1100
19.0	1735	1675	1545	1065
19.9	1675	1605	1480	1030

Small Tract Ends at \$1,675

LARGE TRACT

LOCATION	A	B	C	D
CLASS	STATE	CO. PAVED	CO. UNPAVED	LAND LOCKED
A1	2420	2220	2220	1820
A2 CROP	2220	2015	2015	1720
A3	2015	1815	1815	1625
B1	2220	2015	2015	1525
B2 PASTURE	2015	1815	1815	1440
B3	1915	1715	1715	1345
C1	1615	1410	1410	1245
C2 TIMBER	1410	1310	1310	1150
C3	1310	1210	1210	955

Large Tract Begins at \$2,420

19 Acres STA

$$19 \times \$1,735 = \$32,965$$

21 acres AA1

$$21 \times \$2,420 = 50,820$$

2 additional acres costs you \$17,855?



Small Tract Schedule Development

- Sales are arrayed by size and per acre sale prices calculated for each sample
- Appraiser can pencil in “benchmark” indicated values for increments where sales have occurred
- Sound judgement should be used when bridging gaps between benchmark sales
- Watch for overlapping values (flow chart)
- There is bit of art intermingled with the science



Reappraisal Refresher

Parcel	Val Zone	SALE PRICE	Total Ac	SP / AC	SP / AC Adjusted to Base Schedule	Base Schedule Value / AC	New APP Value	Factored Value	Factored Price / Acre	New Ratio	Access
06 02 10 0 001 003.005	601	\$6,500	0.8	\$ 8,125	\$8,125	\$10,763	\$ 8,610	\$ 8,610	\$10,763	132.46%	P
10 09 29 0 000 019.004	1001	\$23,500	1.9	\$12,368	\$12,368	\$ 9,363	\$17,790	\$17,790	\$ 9,363	75.70%	P
04 05 21 0 000 018.003	601	\$18,500	2	\$ 9,250	\$9,250	\$ 9,300	\$18,600	\$18,600	\$ 9,300	100.54%	P
13 06 24 0 000 038.005	1301	\$18,500	2	\$ 9,250	\$9,250	\$ 9,300	\$18,600	\$18,600	\$ 9,300	100.54%	P
13 04 18 0 001 040.013	1301	\$15,000	2	\$ 7,500	\$7,500	\$ 9,300	\$18,600	\$18,600	\$ 9,300	124.00%	P
13 03 05 0 001 048.012	1301	\$25,000	2.54	\$ 9,843	\$9,843	\$ 8,400	\$21,336	\$21,336	\$ 8,400	85.34%	P
03 08 34 0 000 005.004	601	\$40,000	5	\$ 8,000	\$8,000	\$ 6,400	\$32,000	\$32,000	\$ 6,400	80.00%	P
03 08 34 0 000 005.005	601	\$40,000	5	\$ 8,000	\$8,000	\$ 6,400	\$32,000	\$32,000	\$ 6,400	80.00%	P
03 08 34 0 000 005.003	601	\$32,000	5	\$ 6,400	\$6,400	\$ 6,400	\$32,000	\$32,000	\$ 6,400	100.00%	P
12 02 09 0 000 011.005	1201	\$26,500	5	\$ 5,300	\$6,095	\$ 6,400	\$32,000	\$27,200	\$ 5,440	102.64%	P
17 06 14 0 000 018.006	1701	\$30,000	5.05	\$ 5,941	\$5,941	\$ 6,353	\$32,083	\$32,083	\$ 6,353	106.94%	P
03 08 27 0 001 025.007	601	\$32,400	5.07	\$ 6,391	\$6,391	\$ 6,353	\$32,210	\$32,210	\$ 6,353	99.41%	P
06 02 04 0 001 005.007	602	\$35,500	5.6	\$ 6,339	\$6,339	\$ 6,143	\$34,401	\$34,401	\$ 6,143	96.90%	P
17 06 14 0 000 018.007	1701	\$36,000	5.99	\$ 6,010	\$6,010	\$ 6,000	\$35,940	\$35,940	\$ 6,000	99.83%	P
18 03 07 0 000 001.023	1801	\$42,500	6	\$ 7,083	\$7,083	\$ 6,000	\$36,000	\$36,000	\$ 6,000	84.71%	P
18 03 06 0 000 001.024	1801	\$35,000	6	\$ 5,833	\$5,833	\$ 6,000	\$36,000	\$36,000	\$ 6,000	102.86%	P
12 01 02 0 000 008.000	1201	\$30,000	6.2	\$ 4,839	\$5,565	\$ 5,955	\$36,921	\$31,383	\$ 5,062	104.61%	P
04 09 30 0 000 009.002	601	\$30,000	6.43	\$ 4,666	\$4,666	\$ 5,913	\$38,021	\$38,021	\$ 5,913	126.74%	P
05 02 03 0 000 004.004	601	\$35,000	7.01	\$ 4,993	\$4,993	\$ 5,800	\$40,658	\$40,658	\$ 5,800	116.17%	P
11 04 18 0 000 005.013	1102	\$46,500	10.27	\$ 4,528	\$5,207	\$ 5,120	\$52,582	\$44,695	\$ 4,352	96.12%	P
13 04 18 0 001 049.002	1301	\$55,000	11.49	\$ 4,787	\$4,787	\$ 4,820	\$55,382	\$55,382	\$ 4,820	100.69%	P
11 05 22 4 001 001.009	1101	\$49,900	13.48	\$ 3,702	\$4,257	\$ 4,347	\$58,598	\$49,808	\$ 3,695	99.82%	P
06 06 13 0 001 004.000	601	\$63,000	15	\$ 4,200	\$4,200	\$ 4,200	\$63,000	\$63,000	\$ 4,200	100.00%	P
11 02 09 0 000 002.001	1102	\$80,000	20.9	\$ 3,828	\$4,402	\$ 3,830	\$80,047	\$68,040	\$ 3,256	85.05%	P
12 04 18 0 000 009.003	1201	\$69,000	23.62	\$ 2,921	\$3,359	\$ 3,499	\$82,646	\$70,249	\$ 2,974	101.81%	P
04 05 16 0 000 004.003	601	\$85,000	29.19	\$ 2,912	\$2,912	\$ 2,965	\$86,548	\$86,548	\$ 2,965	101.82%	P
10 09 31 0 000 017.000	1001	\$90,600	30.36	\$ 2,984	\$2,984	\$ 2,925	\$88,803	\$88,803	\$ 2,925	98.02%	P

Proposed Paved Schedule (SA)

Acres	Price per AC	Lower 15%
		11,12
1	\$10,500	\$8,925
2	\$9,300	\$7,905
3	\$7,800	\$6,630
4	\$7,200	\$6,120
5	\$6,400	\$5,440
6	\$6,000	\$5,100
7	\$5,800	\$4,930
8	\$5,600	\$4,760
9	\$5,400	\$4,590
10	\$5,200	\$4,420
11	\$4,950	\$4,208
12	\$4,700	\$3,995
13	\$4,450	\$3,783
14	\$4,250	\$3,613
15	\$4,200	\$3,570
16	\$4,150	\$3,528
17	\$4,100	\$3,485
18	\$4,025	\$3,421
19	\$3,950	\$3,358
20	\$3,875	\$3,294
21	\$3,825	\$3,251
22	\$3,700	\$3,145
23	\$3,575	\$3,039
24	\$3,450	\$2,933
25	\$3,325	\$2,826
26	\$3,225	\$2,741
27	\$3,125	\$2,656
28	\$3,050	\$2,593
29	\$2,975	\$2,529
30	\$2,925	\$2,486

Small tract testing worksheet example



Large Tract Schedule: Coding

- First letter is the access
 - A – Paved
 - B – Unpaved
 - C – Limited Access
- Second letter is land classification
 - A – Row Crop
 - B – Pasture
 - C – Timber
- Number is subclass based upon soil capability
 - 1 – Good
 - 2 – Average
 - 3 – Poor



Large Tract Schedule: Subclass Grid

Large Tract Land Subclassification Grid

Land Subclass	Paved Road	Dirt Road	Limited Access
Row Crop - Good	AA1	BA1	CA1
Row Crop - Average	AA2	BA2	CA2
Row Crop - Poor	AA3	BA3	CA3
Pasture - Good	AB1	BB1	CB1
Pasture - Average	AB2	BB2	CB2
Pasture - Poor	AB3	BB3	CB3
Timber - Good	AC1	BC1	CC1
Timber - Average	AC2	BC2	CC2
Timber - Poor	AC3	BC3	CC3



Large Tract Schedule: General Info.

- Make sure any timber values have been extracted
- Pricing schedule is developed for each large tract subclass
- Calculate ratio statistics for the large tract sales using the new values



Large Tract Schedule Testing Sheet

2014 Some County

RURAL LAND STUDY

SAMPLES	16
MEDIAN	100.52%
MEAN	1.00
W. MEAN	0.90
MINIMUM	0.70
MAXIMUM	1.28
COD	14.45
PRD	1.11

	PAVED	UNPAVED	LIMITED
A1	\$2,150	\$2,000	\$1,250
A2	\$2,100	\$1,800	\$1,200
A3	\$2,050	\$1,700	\$1,150
B1	\$2,150	\$1,900	\$1,250
B2	\$2,100	\$1,800	\$1,200
B3	\$2,050	\$1,700	\$1,150
C1	\$1,900	\$1,600	\$1,250
C2	\$1,650	\$1,350	\$1,200
C3	\$1,500	\$1,200	\$1,175
C4	\$500	\$500	\$500

LOCATION FACTOR	A	1.00
LOCATION FACTOR	B	1.00
LOCATION FACTOR	C	1.00
LOCATION FACTOR	D	1.00
LOCATION FACTOR	E	1.00
LOCATION FACTOR	F	1.00
LOCATION FACTOR	G	1.00

LARGE TRACT ANALYSIS

PARCEL NO.	A1	A2	A3	B1	B2	B3	C1	C2	C3	SWAMP	TOTAL ACRES	SALES PRICE	SALES PRICE PER ACRE	EXCLUSIONS (TIMBER/IMPS)	ADJ SP	NEW VALUE	FACTOR	ADJ VALUE	RATIO	ABS DEV	ACCESS
02-03-05-0-000-015-000-0								129.00	3.50		132.50	\$165,000	\$1,200	\$0	\$165,000	\$178,350	A	\$178,350.00	1.08	0.08	U
02-05-21-0-000-002-000-0								54.00			54.00	\$141,804	\$1,800	\$43,200	\$98,604	\$89,100	A	\$89,100.00	0.90	0.10	P
02-06-14-0-000-006-000-0								139.00			139.00	\$190,000	\$1,400	\$0	\$190,000	\$187,650	A	\$187,650.00	0.99	0.02	U
04-04-18-0-000-002-007-0	10.00				10.00			10.00			30.00	\$50,000	\$1,700	\$0	\$50,000	\$51,500	A	\$51,500.00	1.03	0.02	U
04-05-22-0-000-002-006-0								84.00	20.00		104.00	\$173,000	\$1,700	\$0	\$173,000	\$137,400	A	\$137,400.00	0.79	0.21	U
04-07-36-0-000-003-006-0			14.80					16.00	41.20		72.00	\$75,000	\$1,000	\$0	\$75,000	\$96,200	A	\$96,200.00	1.28	0.28	U
06-06-23-0-000-015-001-0				3.00				37.00			40.00	\$64,000	\$1,400	\$10,000	\$54,000	\$67,500	A	\$67,500.00	1.25	0.24	P
09-07-26-0-000-024-012-0						4.10		23.18			27.28	\$85,000	\$2,300	\$23,180	\$61,820	\$46,652	A	\$46,652.00	0.75	0.25	P
11-05-15-0-000-002-000-0								58.00			58.00	\$92,800	\$1,600	\$0	\$92,800	\$78,300	A	\$78,300.00	0.84	0.16	U
12-04-18-0-000-004-001-0									80.56		80.56	\$96,000	\$1,200	\$0	\$96,000	\$94,658	A	\$94,658.00	0.99	0.02	L
17-01-01-0-000-025-000-0							18.30	57.90	3.00		79.20	\$108,000	\$1,000	\$25,000	\$83,000	\$95,880	A	\$95,880.00	1.16	0.15	L
17-09-31-0-000-001-001-0			108.40					38.20	28.10		174.70	\$384,500	\$2,100	\$20,000	\$364,500	\$327,400	A	\$327,400.00	0.90	0.11	P
18-08-34-0-000-001-001-0				3.00			22.00				25.00	\$69,000	\$2,800	\$0	\$69,000	\$48,250	A	\$48,250.00	0.70	0.31	P
19-01-01-0-000-007-016-0								38.68			38.68	\$78,462	\$1,400	\$22,500	\$55,962	\$63,822	A	\$63,822.00	1.14	0.14	P
19-01-12-0-000-008-004-0					38.00			10.53	3.90		52.43	\$83,800	\$1,600	\$0	\$83,800	\$103,025	A	\$103,025.00	1.23	0.22	P
21-02-03-0-000-012-000-0				12.60				58.40			71.00	\$120,700	\$1,700	\$0	\$120,700	\$123,450	A	\$123,450.00	1.02	0.02	P

Single Land-line Timber Median Sale Prices:

C2 Paved: \$1,600

C2 Unpaved: \$1,400

C3 Limited: \$1,200

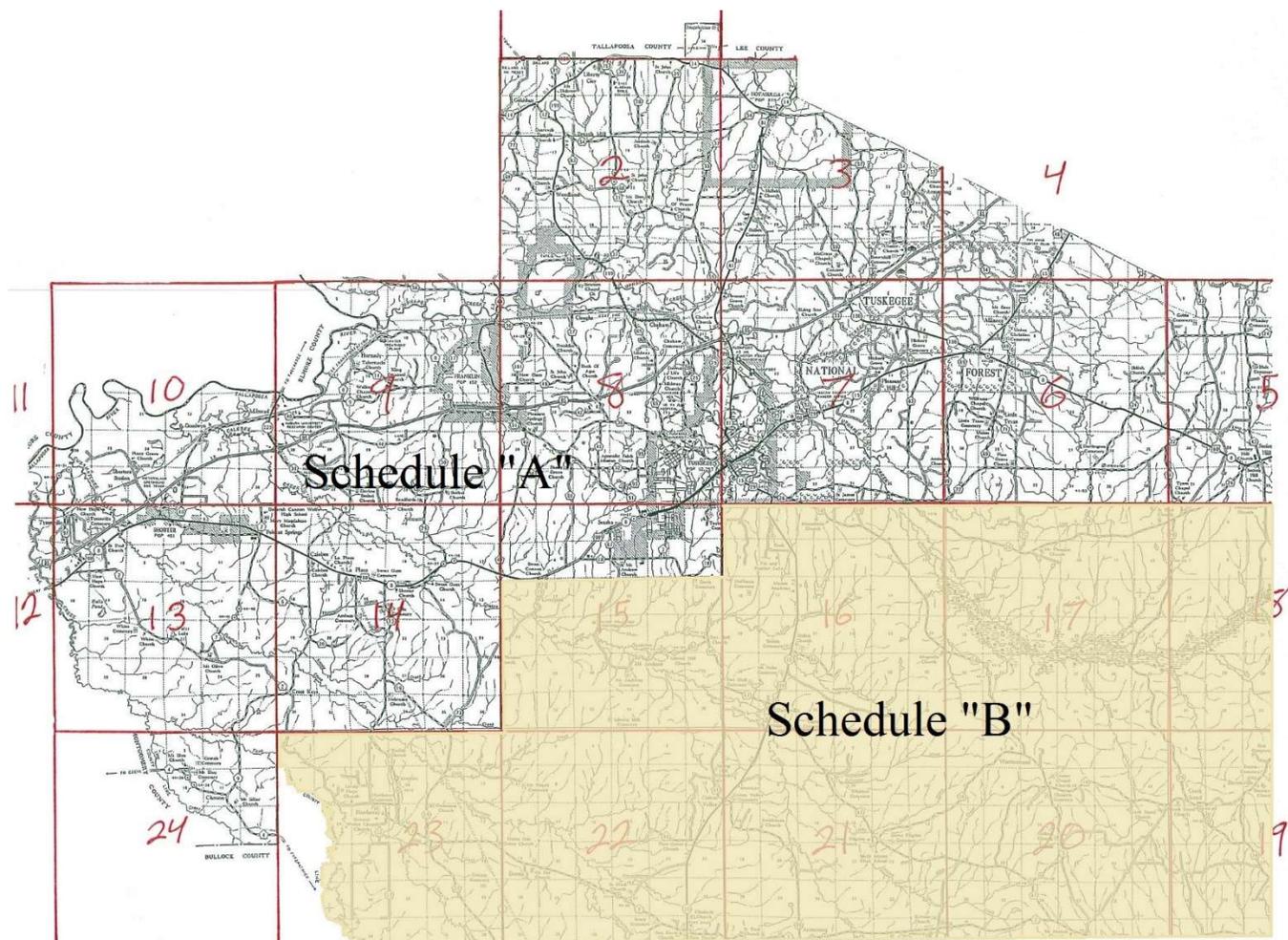


Pricing Zones

- All schedules should be clearly defined with respect to where they are used
- Any adjustments for location should be clearly defined & consistently applied
 - Physical location
 - Road access (paved, unpaved, limited)
 - Etc.



Sample Pricing Zone Map





Requirements for Presentation Booklet

- Letter requesting review of the land schedule
- Form RP-34 will be filled out for each sale
- An aerial map depicting each sample
- A county map showing the location of every sale
- A county map showing any pricing “zones”
- Summary statistics page with a median ratio between 98% - 102% for each schedule
- Large and small tract sections are to remain separate



Sample Form RP-34

Reappraisal Refresher

_____ County
Rural Land Value Study

Sale Number: _____

Parcel # _____ Deed Bk: _____ Page: _____ Date of Sale _____

Grantor: _____ Grantee: _____

Consideration: _____ Improvements: _____ Land: _____ Acres _____ Per Ac _____

Confirmed with: _____ By: _____ Date: _____

Adjusted Sale: _____ % Time Adj. Improvements _____ Land _____ Per Ac _____

EXCLUSIONS

Personal Property _____
 House and Out Buildings _____
 Timber _____
 Allotments _____
 Other (specify) _____
 Growing Crops _____

Total Exclusions: _____ \$0

Indicated Sale Price of Land: _____ \$0

SALE ANALYSIS

Class A-1 _____ %	Location _____	Ac @ _____	=	_____
Class A-2 _____ %	Location _____	Ac @ _____	=	_____
Class A-3 _____ %	Location _____	Ac @ _____	=	_____
Class B-1 _____ %	Location _____	Ac @ _____	=	_____
Class B-2 _____ %	Location _____	Ac @ _____	=	_____
Class B-3 _____ %	Location _____	Ac @ _____	=	_____
Class C-1 _____ %	Location _____	Ac @ _____	=	_____
Class C-2 _____ %	Location _____	Ac @ _____	=	_____
Class C-3 _____ %	Location _____	Ac @ _____	=	_____
Swamp _____ %	Location _____	Ac @ _____	=	_____
Small Tr _____ %	Location _____	Ac @ _____	=	_____
Homesite _____ %	Location _____	Ac @ _____	=	_____

Location Adjustment _____ 0%

Total Acreage _____ X _____ (average per Ac)

Total Land Value _____ \$0

Ratio, Appraisal to Adjusted Sale: _____

Remarks: _____



Request for Approval

- Proof the land schedule using vacant & improved sales prior to submission
- **Check everything one more time**
- Submit study to ADOR district supervisor
 - Include proofing study documentation
 - Briefly explain any problems incurred
- Final approval will be made by ADOR Field Operations Supervisor



Reappraisal Refresher

Ratio Studies



Ratio Study: General Information

- Guidance may be found in:
 - Addendum M: Sales Ratio Study
 - Addendum O: Annual Equalization Procedures
 - Alabama Appraisal Manual, Chapter 6
- **Property Tax Division Valuation Analysts will conduct, with assistance from county appraisers**



Ratio Study: Qualified Sales

- All qualified sales from October 1 – September 30, prior to the lien date will be used
- Sales should be verified
 - Interviews
 - Questionnaires
 - MLS
 - **Real Estate Sales Validation Forms & Deeds** (care must be taken to ensure that the stated sale price was not taken from the county assessor's books)



Ratio Study: Qualified Sales

- Review Addendum M of the Property Tax Plan for Equalization for non-qualified sales
 - A few commonly included non-qualified sales include:
 - Family
 - Bank, Mortgage, Financial Institutions
 - Distressed sale
 - Estate
 - Life-estate
 - Non-profit
- **ADOR District Supervisor will review any outliers and determine whether the sample should be excluded (Provide the raw sales file, with trends removed)**



Ratio Study: Multi-Parcel Sales

- **Multi-parcel sales**
 - **Should be handled as one sale**, with the combined appraised value listed on one parcel
 - Additional parcels should be indicated in the notes section
 - Sales located in more than one county will be excluded
 - Non-contiguous properties in a multi-parcel sale should be closely analyzed for applicability



Base Year Test Ratio

- Tests the effectiveness of the county cost index and base land values in achieving market value
- Any trending is removed (market adjustments done in year one will remain)
- Overall level of appraisal must be between 85% and 105%
- If 85% - 105% standard is not met, the county will be required to reappraise effective the following October 1st



Equalization Ratio

- After the Base Year Test Ratio
- Valuation zones are analyzed separately
- **Each valuation zone should have a median ratio between 98% - 102%**
- **Valuation zones with more than 10 sales should be trended to equalization compliance**
- Overall coefficient of dispersion (COD) should not be greater than 20%



Trending of Values

- Land and improvement values will be trended to maintain compliance
 - Separate factors for land and building may be used
 - Always look at the land values first
- **Trending should produce a median ratio of 100%**
- Valuation zones should be analyzed and trended independently
 - Zones should be combined in the system during the base year if they need to be combined



Trending Error Example:

		+3% on Buildings	+20% on Land
	Before Trending	Improper Trending	After Correctly Trended
Number of Sales	309	309	309
Median All Sales	95.21%	97.82%	99.42%
Overall COD	12.94%	12.99%	12.71%
Number of Improved Sales	269	269	269
Median Improved	96.72%	99.14%	99.37%
Improved COD	11.63%	11.63%	11.71%
Number of Vacant Sales	40	40	40
Median Vacant	83.08%	83.08%	99.70%
Vacant COD	19.07%	24.44%	19.36%



Ratio Study Formatting Requirements

- **Base Year Test Sales** tab on spreadsheet with all required fields (See M-5 of Plan for Equalization)
- **Equalization Sales** tab on spreadsheet with all required fields (See M-5 of Plan for Equalization)
 - Data should be pulled from CAMA system
 - No analysis or spaces on this tab (raw data only)
- **Unusable Sales**
- **Transmittal Letter**
- **Trending Chart**



Ratio Study Submission

- Upon completion, ratio should be sent to ADOR district supervisor for review (SPSS Analysis)
- Ratio study will then be submitted to the Property Tax Division's Real Property Section for analysis
 - Studies will be tested for:
 - Qualified sales
 - Overall compliance
 - Valuation zone level compliance
 - Studies in compliance with ADOR standards will be approved by the Real Property Section