

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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Ratio Study Narrative 2022

General Information	
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County Name	CLARK
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Person Performing Ratio Study			
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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
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<p>If more than one year of sales were used, was a time adjustment applied?</p> <p>Sales window of 1/1/2021 thru 12/31/2021 was predominately used.</p> <p>The window was expanded to include sales from 1/1/2020 thru 12/31/2020 for the following classes and townships due to a lack of sales in 2021. <u>Commercial Improved: Silver Creek. Residential Vacant: Monroe, Union Residential Improved: Oregon, Beth & Owen</u> – with Beth and Owen being grouped together</p> <p>The study used all of the same 2020 sales from the 2021 ratio study within these classes and townships unless a significant change took place</p>	<p>If no, please explain why not.</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>If yes, please explain the method used to calculate the adjustment.</p>
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Groupings

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.

****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****

Commercial Improved: CharJeffCI = The townships of Charlestown and Jeffersonville were combined together. These two townships border each other and share annexed areas as commercial areas transition from one township into the other. These same two townships required grouping in the 2020 and 2021 study

Improved Residential: BethOwenIR = The townships of Bethlehem and Owen are two adjacent rural townships in the NE corner of the county that both share the same school corporation. These same two townships required grouping in the 2020 study

Statistical studies were not complete in the classes of Industrial Vacant and Industrial Improved, due to lack of sales in this class for any of the townships. This was the same scenario for the 2021 study.

Commercial Vacant – only the township of Silver Creek had enough sales to conduct a study

Commercial Improved – All townships excluding (Charlestown, Jeffersonville & Silver Creek) had inadequate numbers to complete a study despite expanding the sales period and these townships are not commercial comparable to the other populated townships

Residential Vacant – Due to the lack of sales statistical studies were not completed for the townships of Beth, Oregon, Owen, Silver Creek, Washington and Wood. These same five (5) townships did not have enough sales to conduct a study for the 2021 ratio study.

AV Increases/Decreases

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.

Property Type	Townships Impacted	Explanation
Commercial Improved	Bethlehem, Carr, Charlestown, Monroe, Silver Creek, Union, Utica, Wood	All of these townships experienced an increase of greater than 10%. The predominate reason was the cost table changes. Reassessment also had an effect on Silver Creek, Union & Monroe as these townships were reassessed this cycle. For the township of Silver Creek, New construction created approximately an additional \$12M For the township of Utica, New Construction created approximately an additional \$34M
Commercial Vacant	Bethlehem Charlestown Monroe Union Utica	Land changes created the increase A major contributing factor that \$2.6M was classified as exempt parcels last year and are now taxable Land changes created the increase Land changes created the increase The decrease was predominately the result of vacant parcels becoming improved parcels for 2022
Industrial Improved	Carr Silver Creek Utica	Cost table changes was the predominate reason Cost table changes, reassessment and two additional parcels Cost table changes, new construction and three additional parcels
Industrial Vacant	Charlestown Silver Creek	The addition of two parcels Reassessment and some land changes was the predominate reason
Residential Improved	Bethlehem, Carr, Charlestown, Jeffersonville, Monroe, Oregon, Owen, Silver Creek, Union, Utica, Washington, Wood	Every township within Clark County experienced greater than a 10% increase. This was the result of the cost table changes and annual trending due to a very "hot" real estate market. The county also experienced a significant number of new housing starts. The townships of Silver Creek, Monroe, Union and Wood were also reassessed.

Residential Vacant	Bethlehem, Carr	Land rate changes
	Charlestown, Jeffersonville	Land rate changes and the creation of 100 new parcels Land rate changes and the creation of 100+ new parcels
	Monroe	Land rate changes and the creation of new parcels
	Silver Creek	Land rate changes and reassessment
	Utica	Land rate changes and the creation of 75+ new parcels
	Wood	The decrease was the net result of a decreased count in vacant parcels

Cyclical Reassessment

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

The townships of Monroe, Silver Creek, Union and Wood were the predominate townships reassessed this cycle. Additional individual parcels were also reassessed to complete the required percentage. See the Clark Workbook file for a complete list of reassessed parcels.

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 Clark Reconciliation File for those sales that were trimmed