

Ratio Study Narrative 2023

General Information	
County Name	POSEY COUNTY

Person Performing Ratio Study			
Name	Phone Number	Email	Vendor Name (if applicable)
JON LAWSON	(812) 890-8323	jon.lawson@tylertech.com	Tyler Technologies

Sales Window	1/1/2022 to 12/31/2022
<p>If more than one year of sales were used, was a time adjustment applied?</p>	<p>If no, please explain.</p> <p>Only sales during the above time frame were included. Sales from 2020 and 2021 were also looked at to confirm the increases that have been made this year. Those sales were adjusting for time with an appreciation rate of .925% a month. This represents approximately 11.1% a year, which was established through resale analysis. While we did pull in sales from 2020 and 2021 to confirm the increases that were made this year, we felt that only the 2022 sales needed to be included.</p>
	<p>If yes, please explain the method used to calculate the adjustment.</p>

Groupings
<p>Please provide a list of townships and/or major class groupings (if any). Additionally, please provide information detailing how the townships and/or major classes are similar in the market.</p> <p>**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**</p>
<p><u>Residential Improved</u></p> <p>Bethel, Point, and Smith Townships were combined for analysis. These townships were grouped together because they share similar economic factors within these areas. They are primarily rural non-densely populated areas that are mostly un-platted residential / agricultural land and there is marginal development going on throughout these townships.</p>

Geographically these townships are the west part of the County. Black, Center, Harmony, Lynn, Marris, Robinson, and Robb Township were not grouped with any other townships.

Residential Vacant

Bethel, Center, Harmony, Lynn, Point, Robb, and Smith Townships were grouped together. These Townships were grouped together since they are all comparable within the county in this class because they share similar economic factors. This is a rural, non-densely populated area with very minimal vacant land sales and within each township vacant land makes up 20-25% of the residential parcels. Black, Marris, and Robinson Township were grouped together as these are more comparable in the current market. They share a similar economic factor in that they are thriving markets with primarily all the new construction. Most new development in the county occurs in these townships.

Commercial Improved & Vacant

Bethel, Center, Harmony, Lynn, Marris, Point, Robb, Robinson, and Smith Townships were grouped together. These townships were grouped together when developing trend factors since the construction types and sizes of these properties are very similar. In regards to commercial and industrial, these townships have minimal development and are primarily rural areas. We have adjusted building factors within Commercial neighborhoods that bring us closer to a market value. There are very few Commercial and Industrial vacant land sales due to the fact that most of the land for sale in Posey County is in row crop. With an insufficient number of valid land sale, there was a lack of market information to have a separate commercial and/or industrial vacant study of its own. For this reason, we did group the Commercial/Industrial Improved and vacant sales into one study group. Black township, which contain the City of Mt. Vernon, had enough sales to stand on its own.

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		
Commercial Vacant	<p>HARMONY TOWNSHIP</p> <p>MARRS TOWNSHIP</p> <p>ROBB TOWNSHIP</p>	<p>65-25-36-331-045.001-007 and 65-25-36-331-045.002-007 are new parcels that account for \$19,300 of the increase. Excluding this parcel, the overall increase is about 0%. 200% is the median change for this category and township (~\$7,300 on average). While the percentage is high, the actual dollar amount is minimal. This was due to a land rate change associated with the review area. This is due to (3) parcels that are new to commercial vacant, they account for \$73,400 of the increase. Additionally, there are (7) parcels that increased a total of \$,77,800 and that was due to being in the review area for this year. Excluding these parcels, the overall increase is about 8%.</p>

Industrial Improved	ROBB TOWNSHIP	Parcel 65-23-18-100-011.000-012 had a use type change associate with it. This parcel is in the review area and accounts for \$131,100 of the increase. Excluding this parcel, the overall increase is about 3%.
Industrial Vacant	HARMONY TOWNSHIP MARRS TOWNSHIP ROBB TOWNSHIP	Parcel 65-04-35-400-006.009-006 is a new parcel and accounts \$12,700 of the increase. Excluding this parcel, the overall increase is about 3%. Parcel 65-14-14-600-004.000-019 had a land use change and accounts for \$360,900 of the increase. This parcel is in the review area for this year. There is (2) new parcels that account for \$25,300 of the increase. Also, there is (2) parcels that had a land use change from the review this year that account for \$49,000 of the increase. Excluding these parcels, the overall increase is about 1%.
Residential Improved	MARRS TOWNSHIP ROBB TOWNSHIP	There is (22) parcels that have either change classification or are new parcels this year that account for \$5,661,300 of the increase. Excluding these parcels, the overall increase is about 13%. This is in the review area for this year and is due to increased land rates and adjusting the market adjustment factors. There is (2) parcels that have changed classification this year that account for \$296,800 of the increase. Excluding these parcels, the overall increase is about 13%. This is in the review area for this year and is due to increased land rates and adjusting the market adjustment factors.
Residential Vacant	LYNN TOWNSHIP MARRS TOWNSHIP	There are (2) parcels that are new this year, 65-07-31-200-001.015-008 & 65-07-31-200-001.014-008, and (1) parcel, 65-07-30-300-010.013-008, that had the use type changed on it that account for \$87,200 of the increase. Excluding these parcels, the overall increase is about 8%. 40% is the median change for this category and township (~\$5,500 on average). While the percentage is high, the actual dollar amount is minimal. This was due to a land rate change associated with the review area.

	ROBINSON TOWNSHIP	There are (7) parcels that have changed classification, are new parcels this year, or had a developer discount removed that account for \$262,600 of the increase. Excluding these parcels, the overall increase is about 8%.
	SMITH TOWNSHIP	There are (11) parcels that have changed classification, are new parcels this year, or had a developer discount removed that account for \$34,200 of the increase. Excluding these parcels, the overall increase is about 7%.

Cyclical Reassessment

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

We reviewed within Robb Township and Marris Township. More specifically the taxing districts of Robb Township, Poseyville Town, and Marris, which you will see reflected in the workbook.

Was the land order completed for the current cyclical reassessment phase?

This was completed for the review area parcels only.

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.

Overall, we noticed a steady increase in assessed value within Posey County. Resale analysis indicated a 11.1% annual appreciation rate, which we feel is not aggressive for 2022.

We do recognize that there is a significant number of parcels increasing 10% or more in the review area. This is primarily in Marris Township which abuts Vanderburgh County and has been thriving the past two years due to the close proximity to Evansville. With exception to industrial properties, there was an overall change that exceeded the 10% ceiling. The typical increase for Agricultural was about 25%. Typical change for Residential properties was about 14% in the review area and is about 7% in Townships not in the review area. All neighborhoods that have increased 10% or more on average we looked at the percent of representation and confirmed that there was sufficient market activity to substantiate the increase in assessed value. Commercial and Industrial change outside of the review area was minimal but in the review area there was a minimal increase applied after the review was conducted.

The 2023 Cost table updates were applied. The base year for depreciation was updated to 1/1/2023. The updated 2023 Agricultural land rate of \$1,900 was applied. The updated 2023 Classified land rate of \$15.65 was applied. While not applicable, the 2022 Solar land rate of \$5,400 that applies to the South District was setup (this is 60% lower than the rate utilized by the rest of the state). The updated golf course cap rate of 11.43% was used.

For all properties, both outside and within our review areas, we applied factor adjustments and land rate adjustments where necessary to meet IAAO standards. Any areas that did not have a fair representation of sales were combined with an adjoining area of similar economic factors so that we could draw a more definitive representation of the market.