## **Narrative**

## **General Information**

County Name: Johnson County

Person Performing Ratio Study: Jon Lawson

Contact Information: 812-890-8323, jon.lawson@tylertech.com

Vendor Name (If Applicable): Tyler Technologies

Additional Contacts (For purposes of the ratio study): Mark Alexander

Sales Window (e.g., 1/1/19 to 12/31/19): 1/1/20 to 12/31/20

If more than one year of sales were used, was a time adjustment applied? If no, please explain why not. If yes, please explain the method used to calculate the adjustment.

## **Groupings**

In the space below, 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 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\*\*

Residential Improved- There was no grouping necessary.

Residential Vacant- Blue River, Clark, Franklin, Nineveh, and Union townships were grouped together as these are more comparable in the current market. They share a similar economic factor due to being they are mostly rural with limited small towns, have very limited market action, and there is less development in these areas. For Hensley, Needham, Pleasant, and White River townships there was no grouping necessary.

Commercial & Industrial Improved & Vacant- Blue River, Clark, Hensley, Needham, Nineveh, and Union townships were grouped together when developing trend factors, since the construction types and sizes of these properties are very similar. In addition to that, these areas are incurring less development regarding commercial and industrial properties. Franklin, Pleasant, and White River had enough market sales to stand on their own. We have adjusted building factors and land rates within commercial and industrial 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 is already developed, sustains a change in use after it is purchased, or is in row crop. For this reason, we did group the commercial and industrial improved and vacant sales together for each grouping.

# **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	FRANKLIN TOWNSHIP	Franklin Township ComImp changed roughly 10%, or \$23,441,300. This is d			
Improved		to the reasons listed below.			
		<u>Parcel</u>	Amount Chg Reason for Chg		
		41-08-16-041-014.000-009	\$ 3,480,100 New Construction		
		41-08-10-043-016.002-009	\$ 1,297,200 New Construction		
		41-08-15-043-036.000-009	\$ 688,100 New Construction		
		41-08-15-033-007.000-008	\$ 11,570,100 New Construction		
			\$ 17,035,500		
	NEEDHAM TOWNSHIP	Needham Township ComImp changed roughly 14%, or \$5,098,500. This is du to the reasons listed below.			
		Parcel	Amount Chg Reason for Chg		
		41-07-18-042-008.000-018	\$ 862,700 New Parcel		
		41-07-18-042-003.000-018	\$ 3,702,500 New Construction		
			\$ 4,565,200		
Commercial	BLUE RIVER TOWNSHIP	Blue River Township ComVac	changed roughly 14%, or \$34,200. This is due	e to	
Vacant		Neighborhood 4114002 having a land rate increase during annual adjustment			
		to bring the sales in line with market. The percent change is slightly high, but			
	PLEASANT TOWNSHIP	the average change is \$3,100.  Pleasant Township ComVac changed roughly -10%, or -\$1192,000. This is du to the reasons listed below.			
		Parcel	Amount Chg Reason for Chg		
		41-05-10-012-003.000-025	\$ (762,700) ComVac to Exempt		
		41-02-35-031-019.000-030	\$ (253,100) ComVac to IndImp		
		41-05-02-033-001.000-030	\$ (83,300) ComVac to IndImp		
		41-05-11-022-001.000-030	\$ (93,000) ComVac to IndImp		
			\$ (1,192,100)		
Industrial Improved	NEEDHAM TOWNSHIP	Needham Township IndImp changed roughly 30%, or \$33,236,900. This is due to the reasons listed below.			
		<u>Parcel</u>	Amount Chg Reason for Chg		
		41-07-20-011-001.000-017	\$ 486,900 Ag to IndImp		
		41-07-18-041-002.000-018	\$ 17,942,200 Ag to IndImp		

		41-07-18-044-015.001-018	\$	14,400,200	New Construction	
			\$	32,829,300	=	
	PLEASANT TOWNSHIP	Pleasant Township IndImp changed roughly 30%, or \$134,305,100. This to the reasons listed below.				
		<u>Parcel</u>	<u> </u>	Amount Chg	Reason for Chg	
		41-05-23-034-018.000-056	\$	19,709,000	Ag to IndImp	
		41-05-11-012-002.000-030	\$	17,177,300	Ag to IndImp	
		41-05-02-043-002.000-030	\$	7,545,400	IndVac to IndImp	
		41-02-35-031-019.000-030	\$	2,211,500	ComVac to IndImp	
		41-05-02-033-001.000-030	\$	42,181,500	ComVac to IndImp	
		41-05-11-022-001.000-030	\$	7,541,000	ComVac to IndImp	
		41-05-09-021-072.000-025	\$	328,700	ComImp to IndImp	
		41-02-34-014-009.000-030	\$	3,969,800	New Parcel	
		41-02-35-023-001.000-030	\$	1,086,100	New Parcel	
		41-02-35-022-011.000-030	\$	4,808,600	New Parcel	
		41-02-35-022-010.000-030	\$	7,027,400	New Parcel	
			\$	113,586,300	_	
Industrial	FRANKLIN TOWNSHIP	Franklin Township IndVac char	nged r	oughly 14%, or	\$113,500. This is due to	
Vacant		Neighborhood 4199301 having				
		to bring the sales in line with market. The percent change is slightly high, bu				
		the average change is \$5,100.				
	NEEDHAM TOWNSHIP	Needham Township IndVac ch	anged	d roughly 141%,	or \$147,400. This is due	
		to the reasons listed below.				
		<u>Parcel</u>	<u>A</u>	mount Chg	Reason for Chg	
		41-07-18-042-013.000-018	\$	138,000	ResVac to IndVac	
	PLEASANT TOWNSHIP	Pleasant Township IndVac cha	nged	roughly -41% o	r -\$1 966 800 This is due	
	PLEASANT TOWNSHIP	to the reasons listed below.				
				Amount Chg	Reason for Chg	
		Parcel	•			
		<u>Parcel</u> 41-02-27-023-009.000-025		(214.800)		
		41-02-27-023-009.000-025	\$	, , ,	IndVac to ComImp	
			\$ \$	(2,462,600)	IndVac to ComImp	
		41-02-27-023-009.000-025 41-05-02-043-002.000-030	\$ \$ \$	(2,462,600) (2,677,400)	IndVac to ComImp IndVac to IndImp	
		41-02-27-023-009.000-025 41-05-02-043-002.000-030 <u>Parcel</u>	\$ \$	(2,462,600) (2,677,400) Amount Chg	IndVac to ComImp IndVac to IndImp  Reason for Chg	
		41-02-27-023-009.000-025 41-05-02-043-002.000-030 Parcel 41-02-34-041-011.000-030	\$ \$ \$	(2,462,600) (2,677,400) Amount Chg 158,000	IndVac to ComImp IndVac to IndImp  Reason for Chg New Parcel	
		41-02-27-023-009.000-025 41-05-02-043-002.000-030 Parcel 41-02-34-041-011.000-030 41-02-34-041-010.000-030	\$ \$ \$ \$ \$	(2,462,600) (2,677,400) Amount Chg 158,000 201,900	IndVac to ComImp IndVac to IndImp  Reason for Chg New Parcel New Parcel	
		41-02-27-023-009.000-025 41-05-02-043-002.000-030 Parcel 41-02-34-041-011.000-030 41-02-34-041-010.000-030 41-02-34-041-009.000-030	\$ \$ \$	(2,462,600) (2,677,400) Amount Chg 158,000 201,900 371,200	IndVac to ComImp IndVac to IndImp  Reason for Chg New Parcel New Parcel New Parcel	
		41-02-27-023-009.000-025 41-05-02-043-002.000-030 Parcel 41-02-34-041-011.000-030 41-02-34-041-010.000-030	\$ \$ \$ \$ \$ \$	(2,462,600) (2,677,400) Amount Chg 158,000 201,900 371,200 2,700	IndVac to ComImp IndVac to IndImp  Reason for Chg New Parcel New Parcel	
		41-02-27-023-009.000-025 41-05-02-043-002.000-030 Parcel 41-02-34-041-011.000-030 41-02-34-041-010.000-030 41-02-34-041-009.000-030	\$ \$ \$ \$ \$	(2,462,600) (2,677,400) Amount Chg 158,000 201,900 371,200	IndVac to ComImp IndVac to IndImp  Reason for Chg New Parcel New Parcel New Parcel	
		41-02-27-023-009.000-025 41-05-02-043-002.000-030 Parcel 41-02-34-041-011.000-030 41-02-34-041-010.000-030 41-02-34-041-009.000-030 41-02-34-012-005.000-030	\$ \$ \$ \$ \$ \$ \$	(2,462,600) (2,677,400) Amount Chg 158,000 201,900 371,200 2,700 733,800	IndVac to ComImp IndVac to IndImp  Reason for Chg New Parcel New Parcel New Parcel New Parcel	
	UNION TOWNSHIP	41-02-27-023-009.000-025 41-05-02-043-002.000-030 Parcel 41-02-34-041-011.000-030 41-02-34-041-010.000-030 41-02-34-041-009.000-030 41-02-34-012-005.000-030	\$ \$ \$ \$ \$ \$ \$	(2,462,600) (2,677,400) Amount Chg 158,000 201,900 371,200 2,700 733,800 ughly 14%, or \$3	IndVac to ComImp IndVac to IndImp  Reason for Chg New Parcel New Parcel New Parcel New Parcel New Parcel Say,900. This is due to the	
	UNION TOWNSHIP	41-02-27-023-009.000-025 41-05-02-043-002.000-030 Parcel 41-02-34-041-011.000-030 41-02-34-041-010.000-030 41-02-34-041-009.000-030 41-02-34-012-005.000-030 Union Township IndVac chang Neighborhood 4199404 having	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(2,462,600) (2,677,400) Amount Chg 158,000 201,900 371,200 2,700 733,800 ughly 14%, or \$3	IndVac to ComImp IndVac to IndImp  Reason for Chg New Parcel New Parcel New Parcel New Parcel Sa,900. This is due to the during annual adjustments	
	UNION TOWNSHIP	### ##################################	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(2,462,600) (2,677,400) Amount Chg 158,000 201,900 371,200 2,700 733,800 ughly 14%, or \$3	IndVac to ComImp IndVac to IndImp  Reason for Chg New Parcel New Parcel New Parcel New Parcel Sa,900. This is due to the during annual adjustments	
Residential		### ##################################	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(2,462,600) (2,677,400) Amount Chg 158,000 201,900 371,200 2,700 733,800 ughly 14%, or \$3 nd rate increase t. The percent of	IndVac to ComImp IndVac to IndImp  Reason for Chg New Parcel New Parcel New Parcel New Parcel as 3,900. This is due to the during annual adjustments change is slightly high, but	
Residential Improved	UNION TOWNSHIP  NEEDHAM TOWNSHIP	## Parcel ## Par	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(2,462,600) (2,677,400) Amount Chg 158,000 201,900 371,200 2,700 733,800 ughly 14%, or \$3 nd rate increase t. The percent of	IndVac to ComImp IndVac to IndImp  Reason for Chg New Parcel New Parcel New Parcel New Parcel as 3,900. This is due to the during annual adjustments change is slightly high, but	
		### ##################################	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ anarke	(2,462,600) (2,677,400) Amount Chg 158,000 201,900 371,200 2,700 733,800 ughly 14%, or \$3 nd rate increase t. The percent of	IndVac to ComImp IndVac to IndImp  Reason for Chg New Parcel New Parcel New Parcel New Parcel Sa,900. This is due to the during annual adjustments change is slightly high, but or \$64,214,200. This is due	
		### ##################################	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ anarke	(2,462,600) (2,677,400) Amount Chg 158,000 201,900 371,200 2,700 733,800 ughly 14%, or \$3 nd rate increase t. The percent of	IndVac to ComImp IndVac to IndImp  Reason for Chg New Parcel New Parcel New Parcel New Parcel Sa,900. This is due to the during annual adjustments change is slightly high, but or \$64,214,200. This is due	
Residential Improved		## Parcel ## Par	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ ac to	(2,462,600) (2,677,400) Amount Chg 158,000 201,900 371,200 2,700 733,800 ughly 14%, or \$3 nd rate increase t. The percent of	IndVac to ComImp IndVac to IndImp  Reason for Chg New Parcel New Parcel New Parcel New Parcel Sa,900. This is due to the during annual adjustments change is slightly high, but or \$64,214,200. This is due	
		### ##################################	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ ac to	(2,462,600) (2,677,400) Amount Chg 158,000 201,900 371,200 2,700 733,800 ughly 14%, or \$3 nd rate increase t. The percent of	IndVac to ComImp IndVac to IndImp  Reason for Chg New Parcel New Parcel New Parcel New Parcel Sa,900. This is due to the during annual adjustments change is slightly high, but or \$64,214,200. This is due	

	41-08-13-014-004.000-018	\$	193,200	New Construction completed
	41-08-13-011-006.000-018	\$	218,800	New Construction completed
	41-08-36-024-005.000-019	\$	361,800	New Construction completed
	41-08-13-014-015.000-018	\$	170,500	New Construction completed
	41-08-13-014-013.000-018	\$	104,600	New Construction completed
	41-08-13-014-012.000-018	\$	102,100	New Construction completed
	41-08-13-011-020.000-018	\$	106,000	New Construction completed
	41-08-12-012-041.000-018	\$	121,100	New Construction completed
	41-08-12-032-011.000-018	\$	205,600	New Construction completed
	41-08-12-031-022.000-018	\$	284,800	New Construction completed
		\$	2,091,800	
PLEASANT TOWNSHI	P Pleasant Township ResImp to the reasons listed below.	_	d roughly 14%	%, or \$422,820,400. This is due
	252 parcels changed from F		to Resimn acc	ounting for approximately
	\$63,686,000.	(C3 Vac )	to resimp acc	outting for approximately
	133 parcels are new parcels	for thi	s vear accoun	ting for approximately
	\$28,628,700.		. ,	
	Parcel	Aı	mount Chg	Reason for Chg
	41-05-14-041-020.004-033	\$	144,200	New Construction completed
	41-05-21-034-066.000-028	\$	148,400	New Construction completed
	41-05-07-031-037.000-030	\$	127,500	New Construction completed
	41-05-28-022-079.000-028	\$	114,100	New Construction completed
	41-05-07-031-032.000-030	\$	111,200	New Construction completed
	41-02-35-031-076.000-030	\$	165,700	New Construction completed
	41-05-28-022-036.000-028	\$	143,400	New Construction completed
	41-05-07-032-016.000-030	\$	158,500	New Construction completed
	41-05-06-034-051.000-042	\$	136,100	New Construction completed
	41-05-28-022-035.000-028	\$	145,500	New Construction completed
	41-05-28-023-077.000-028	\$	152,200	New Construction completed
	41-05-29-034-065.000-033	\$	119,000	New Construction completed
	41-05-17-031-004.000-033	\$	160,000	New Construction completed
	41-02-30-034-023.000-026	\$	147,700	New Construction completed
	41-05-06-034-018.000-042	\$	172,700	New Construction completed
	41-05-28-023-088.000-028	\$	102,300	New Construction completed
	41-02-35-031-080.000-030	\$	142,600	New Construction completed
	41-05-15-032-008.000-033	\$	112,100	New Construction completed
	41-05-07-033-026.005-030	\$	102,700	New Construction completed
	41-05-18-014-051.000-030	\$	115,800	New Construction completed
	41-05-06-034-059.000-042	\$	107,300	New Construction completed
	41-05-17-031-001.000-033	\$	117,600	New Construction completed
	41-05-17-043-053.006-033	\$	104,700	New Construction completed
	41-05-30-031-007.007-033	\$	244,200	New Construction completed
	41-05-17-042-050.006-033	\$	140,100	New Construction completed
	41-02-29-013-001.007-026	\$	112,500	New Construction completed
	41-02-35-013-090.000-030	\$	119,400	New Construction completed
	41-05-29-041-019.000-028	\$	119,000	New Construction completed
	41-05-22-033-051.000-028	\$	119,400	New Construction completed
	41-02-35-012-053.000-030	\$	165,700	New Construction completed
	41-02-35-012-056.000-030	\$	159,200	New Construction completed
	41-02-35-021-016.000-030	\$	229,400	New Construction completed

		41-02-35-012-057.000-030	\$	163,400	New Construction completed		
		41-02-35-012-051.000-030	\$	102,500	New Construction completed		
		_	\$	4,726,100			
		Additionally, Pleasant is grow	ving r		narket has been increasing		
		at a high rate. Over 1/3 of the sales in Johnson County took place in Pleasant					
		township and to keep up with the growing market an increase of 10% was					
		applied during annual adjustments to most neighborhoods in this Township.					
Residential	NEEDHAM TOWNSHIP	Needham Township ResVac changed roughly -12%, or -\$441,100. This is due					
Vacant		to the reasons listed below.					
		91 parcels changed from ResVac to ResImp accounting for approximately -					
		\$957,200.					
		<u>Parcel</u>		<b>Amount Chg</b>	Reason for Chg		
		41-08-13-011-031.000-018		\$ 66,70	Developer Disc Removed		
		41-08-13-014-003.000-018		\$ 78,50	Developer Disc Removed		
		41-08-12-044-031.000-018		\$ 67,70	Developer Disc Removed		
		41-08-13-011-030.000-018		\$ 70,00	Developer Disc Removed		
		41-08-13-011-033.000-018		\$ 70,10	Developer Disc Removed		
			\$	353,000			
	PLEASANT TOWNSHIP	Pleasant Township ResVac changed roughly -14%, or -\$476,300. This is due to 254 parcels changed from ResVac to ResImp accounting for approximately					
		-\$558,400.					
	WHITE RIVER TOWNSHIP	White River Township ResVac changed roughly 46%, or \$6,695,000. This is due to 209 parcels that are new parcels for this year accounting for					
		approximately \$6,192,100.					

#### **Cyclical Reassessment**

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

We reviewed within the townships of Blue River Township, Franklin Township, Hensley Township, Needham Township, Nineveh Township, Pleasant Township, Union Township, and White River Township. All of which you will see reflected in the workbook.

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

We plan to complete the land order in Phase 4 of the reassessment. However, we do continuously review land rates and neighborhood delineation every year as well as vacant land sales.

### **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 good increase in assessed value and market activity within Johnson County. This coincides with an increased amount of new construction. A real broad overview of the increased amount of new construction can be summarized by stating that there were almost 1,100 new parcels, just over 600 parcels changed from vacant to improved, and just over \$135 million in commercial / industrial new construction. There were several neighborhoods being developed, which resulted in a lot of developer discount being removed as the lots sold. We do recognize that there is a significant number of parcels increasing 10% or more. For commercial and industrial vacant land this was due to land rates being increased in two neighborhoods, which was mentioned above. For residential improved this was due to neighborhood factors being increased due to market activity. All residential improved 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. 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.