

## **An Overview of Madison County's 2018 Annual Trending March 27, 2018**

The following steps were taken to conduct the 2018 annual trending in Madison County:

### **Step 1: Calculation of New Land Values\*\***

As required in the General Reassessment, new land values were established in July, 2014 and have been implemented since that time. For 2018 trending, it was determined that land base rates needed to be adjusted in approximately 30 neighborhoods in order to achieve accurate assessments.

### **Step 2: Calculation of New Residential Factors & Residential Studies\*\***

Madison County implemented the 2018 cost tables and depreciation adjustment per the Department of Local Government Finance. Further, a preliminary ratio study was then conducted for improved residential properties at the township level. This study dictated which property classes required further analysis, stratification, reassessment or calculation of a new neighborhood factor. In some instances, especially in rural areas of Madison County, the preliminary ratio study indicated that assessments were both accurate and uniform. In other neighborhoods, further review was required. Townships with less than 5 sales were grouped into combined stratum in order to create a sufficient sample size for ratio study calculations. In this case, Boone, Van Buren, and Monroe Townships were combined because of their northeastern location in the county and economic reliance on the cities of Alexandria and Summitville. Finally, Duck Creek, Jackson, and Pipe Creek Townships were combined together due to their proximity and economic reliance on Elwood and the City of Tipton.

### **Step 3: Updated Commercial & Industrial Improvement Values\*\***

Madison County implemented the 2018 cost tables and depreciation adjustment from the Department of Local Government Finance

**\*\*Please note: every attempt was made to ensure a representative sample for each property class. However, given the very low sales activity for vacant residential, vacant commercial, and all industrial property in Madison County, no additional sales data was yielded even when the time frame was expanded back to 2013.**