

Barry Wood
Director, Assessment Division
Department of Local Government Finance

Dear Mr. Wood

Attached is the Madison County Equalization Study of the updated 2011 assessments. This study is in Excel format and includes DLGF required data and statistical calculations by class and Township along with a summary.

In addition to the DLGF required data and calculations, we have included assessment data at the time of sale and statistical calculations for that data. AV Land, AV Improvements and Total AV represents assessments of the property at time of sale, while Trended Land, Trended Improvements and Trended AV represent trended valuations once the update factors are applied. Where necessary, property data has been corrected and these corrections are reflected in both the previous year as well as the trended assessments. The number of parcels included in the sale is noted to allow for identification of multiple parcel sales.

As requested by the Department we have included listings of sales initially coded as valid by the County that were not used in the study along with appropriate comments and sales initially coded as invalid that have been included in the study. Both listings are noted by tab in the equalization study. We have included, as requested, a Countywide consolidated residential neighborhood report. Also included is the 2011 workbook in prescribed format.

Property transfers, both valid and invalid, have declined significantly from the 2009/2010 time frame to the 2010/2011 time frame. With the decline in number of sales, it is apparent that the market is soft particularly for vacant land and commercial properties. Because of the soft market, rather than including data(sales) outside of the prescribed time frame where an inflationary time adjustment would artificially increase sale prices for older transfers(sales), we are limiting the data included in this study to transfers(sales) of properties (excepting industrial improved properties) within the prescribed time frame of January 1, 2010 through March 1, 2011.

Equalization studies are included for improved residential classed properties for each Township where representative data was available. No residential improved sales data was available in Boone Township and only 3 sales of residential properties were available in Duck Creek Township. Improved residential equalization studies are not included for either Boone or Duck Creek Townships. After excluding residential land sales that were part of multiple parcel transactions, five valid residential vacant land sales remain. Those sales have been used for a County consolidated residential equalization study for residential vacant land. Two equalization studies are included for commercial improved properties, Anderson Township and a County Wide (excepting Anderson) Consolidated. There were two sales of vacant commercial land. There was one improved industrial sale and no unimproved industrial sales within the prescribed time. The one improved industrial sale was included with the County Wide improved commercial study.

Trend factors for commercial and industrial classed properties were developed using the assessment to sales comparison approach. Trend factors were developed for improvements and applied based upon property class and location. As a general statement, with minimal recent vacant commercial and industrial sales data available, industrial and commercial land assessments were not changed.

Another comment that should be noted is that Madison County has begun the process of updating property records to accurately reflect the physical characteristics of property(s) as verified during the 2012 Reassessment field data collection process. As records are updated the assessed values of property(s) will change whether sales data exists for the neighborhood or not. The updated data and resulting assessment reflect the status of property as of the 2011 valuation date. Changes to property subsequent to the 2011 valuation date will be reflected in the 2012 assessment(s).

Should you or your staff require additional information please contact our office.

Sincerely

Larry Davis
Madison County Assessor