Procedures for Annual Adjustments
Newton County

Residential

Step 1: The land values were reviewed as part of the reassessment and a new land order was determined. Sales were used of vacant parcels as well as improved parcels that were vacant at the time of sale. Abstraction and allocation methods were used on improved sales if enough vacant sales did not exist. Due to number of sales, the vacant residential sales throughout the county were grouped (L1).

Step 2: After the land factors were established, those values were added to the current improvement values and compared to the improved sale prices. A separate trending factor was then applied to the dwelling of the property to raise or lower the values to an acceptable median level. If there were no sales in the neighborhood, then consideration was given to homes for sale in the neighborhood or the neighborhood was trended using similar neighborhoods or a township trending factor. Based on the homesite rates established during the last land order; Beaver, Colfax, Jackson and McClellan townships were grouped and trended together (R1). In the same manner, Iroquois and Washington Townships were also grouped and trended together (R2).

Newton County is a primarily agricultural county. Based on the number of sales, even using three years worth of sales, we found it necessary to look at groupings in order to best trend and complete the sales ratio study. These groupings were based on geographic location, school district as well as homesite values established when creating the 2018 land order. We feel the groupings represent land with similar topography and values.

Step 3: The newly established trending factors were applied to all properties within that neighborhood and a sales ratio study and abstract were ran to verify the changes.

Commercial / Industrial

Step 1: The commercial and industrial land was reviewed as part of the reassessment and a new land order was established. Sales were used of vacant parcels as well as improved parcels that were vacant at the time of sale. The abstraction method was also used in establishing land values where vacant sales were not available. There were no valid commercial or industrial sales in our three year time window. .

The land values for rural commercial and industrial properties were trended with the same factor applied to the residential land.

Step 2: After the land factors were established, those values were added to the current improvement values and compared to the improved sale prices. A separate trending factor was then applied to the improvements of the property to raise or lower the values to an acceptable median level. With the number of sales, all commercial / Industrial properties in the county were trended and grouped together (C1).

Step 3: The newly established trending factors were applied to all properties within that neighborhood and a sales ratio study and abstract were ran to verify the changes.

Due to the amount of sales in Newton County, it was necessary to open the window of sales used. We used sales from 01/01/2015 through 12/31/2017 for Residential and for Commercial and Industrial Sales. There were not enough multi-year sales to determine a time adjustment – therefore no adjustment was made to the sale prices..