

# Assessment Bulletin

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EQUALIZED ASSESSMENT PANEL TECHNICAL COMMITTEE

## EAP Technical Committee Recommendation

**Item:** 3B1**Title:** Assessment Sales Ratio (ASR) Methodology**EAP Recommendation:** 4Ai, 4Aii

**Question:** A compressed assessment audit schedule will be introduced January 1, 2004. ASB is implementing various changes to its standardized quality ratio study methodology to ensure that the annual data audit can be completed in the much shorter allotted timeframes. What is the process for assessment to sales ratio studies in this new environment?

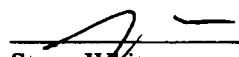
**Background:**

The EAP 4A Recommendations refer to changing the assessment process to use a municipality's declared current assessments as the basis for its equalized assessment. To support these recommendations, the annual audit function must be completed by February 28 of each year. As such, the assessments must be declared by January 31 to allow ASB a minimum of 20 business days to deal with any outstanding audit issues. No extensions can be permitted.

**Recommendation:**


The primary quality test for non-regulated property is the ASR methodology, which is outlined, in the attached principles. When sufficient sales data is not available the alternate methods that are identified in recommendation 3B2 must be used.

**Recommendation Background:****Recommended**

  
Steve White  
EAP Technical Committee Chair

Nov. 30, 2001  
Date

**Accepted**

  
Brad Pickering  
ASSET Steering Committee Chair

Jan 14/02  
Date

## Annual Audit Quality Test Process

The assessment to sale ratio (ASR) is the most appropriate test of assessment quality. To conduct an ASR study, a minimum of 15 valid sales is desirable within a sales period (July 1 to June 30) for a market area. If adequate sales data are not available, the following process can be used to expand the sample. If this process cannot expand the sample size, the alternate methods in steps 6B and 8 for determining if the assessments are reasonable will be employed. If a property is so unique that comparison is impossible, an annual audit will not be performed and the assessment will be reviewed during the procedural audit.

