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FAIR & equitable

MAGAZINE OF THE INTERNATIONAL ASSOCIATION OF ASSESSING OFFICERS

Factors Affecting the Property Tax: A Media Guide to Property Tax Systems

Alan Dornfest, AAS, and Chris Bennett

Holiday insert for tablets

(does not require Adobe Flash)

F&E Digital Edition
Special holiday insert available at www.iaao.org

Holiday insert for PCs

(requires Adobe Flash)

'Twas a Few Days Before Christmas

Poem by Wanda Musick Witthar

'Twas a few days before Christmas, and all through the IAAO place,
The Scantron was humming at a furious pace;
Matt Y. spoke not a word, but went straight to work,
Grading exams with a sly little smirk;
And Wanda's hand was glued to her phone,
So IAAO candidates would not feel alone;
The tree had been decorated in the lobby with care,
In hopes that our day off soon would be there;
And Vickie's heart was truly filled with dread,
As visions of Executive Board books danced in her head;
Chris was in jammies, working from home,
But he didn't mind being alone;
And Jean dressed in Disney and Kate dressed in black,
Had just settled in for a quick lunchtime nap;
When out in the parking lot there arose such a clatter,
Lisa D. sprang from her desk to see what was the matter;
Away to the window she flew like a flash,
Tore open the shutters and threw up the sash;
The moon on the breast of the mud splattered snow,
Gave a luster of mid-day to the parking lot below;
When what to her wondering eyes should appear,
But a miniature sleigh and eight tiny reindeer;
The little old driver had such a lively spark,
She knew in a moment it must be Larry Clark;
More rapid than eagles his coursers they came,
And Larry whistled, and shouted, and called them by name;
"Now David, now Aaron, now Lisa W., and Ashley!
On Mary Ann, on Robin, on Leann, and Angie!"
"Send Joe Daniels to the top of the porch! To the top of the wall!
Now paint and patch and repair it all!"
So up to the top of the building they flew,
With the sleigh full of toys and Larry too;
As I drew in my head, and was turning around,
In the door Cristalle, Aubrey, and Matt H. came with a bound;
Suddenly appeared the right jolly old elf,
And I laughed when I saw him in spite of myself;
He spoke not a word, but was very busy,
Filling Carolyn, Mario, and Mary's stockings in a tizzy;
And laying a finger aside of his nose,
And giving a nod, up the elevator Larry rose;
And finally quitting time was drawing near,
We raced to our cars and put them in gear;
Larry sprang to his sleigh, to the team gave a whistle,
And away we all flew like the down of a thistle;
But I heard them exclaim, ere they drove out of sight,
"Merry Christmas to all, and to all a good night!"























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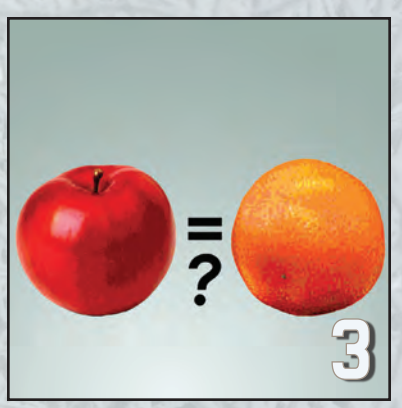

Best Holiday Wishes from the IAAO Staff

The statements made or opinions expressed by authors in Fair & Equitable *do not necessarily represent a policy position of the International Association of Assessing Officers.*

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From the President

Debra Asbury

Dear IAAO Members,

This message is my final official one as IAAO President. I look upon the past year with mixed emotions but mostly pride in the accomplishments of IAAO.

I thank everyone who made it possible for me to serve this year, with special recognition of my staff in the Arkansas Assessment Coordination Department (ACD) and my boss, Governor Mike Beebe. Without them, it would not have been possible to fulfill the duties of this office. I fully appreciate their support. I look forward to serving as Immediate Past President for 2013.

I thank the other members of the Executive Board for their willingness to support positive change within IAAO. They have all done an exemplary job of representing the best interests of IAAO members. Thanks also to the IAAO staff members, who work very hard to keep things running smoothly on a daily basis.

I also thank all the IAAO members involved in leadership roles, especially members who serve on committees and IAAO representatives. They play a crucial role in the success of IAAO. Please read the committee reports on page 30 for an overview of recent activities.

I encourage IAAO members who have never served on a committee or served in a leadership role to consider the possibility. It is a great way to broaden your experience and contribute to professional excellence in assessment administration.

I want to thank the New Hampshire Association of Assessing Officers for inviting me to attend their Annual Conference, November 13–15. It is my second to last trip in my official capacity as president. I also look forward to seeing attendees at the 33rd Annual Legal Seminar in Chicago, December 13–14.

The Executive Board met November 9–10 in Memphis, Tennessee, for its final in-person meeting of the year. It was a marathon two-day session as we worked through all the agenda items including approval of the 2013 budget. Highlights of the meeting include the following:

- The USPAP Committee was asked to draft a letter to The Appraisal Foundation Admissions Committee for the IAAO president's signature requesting a waiver from the Supervisory Appraiser and Trainee Appraiser Course for assessment office personnel and IAAO professional designations program members.
- Project plans were approved to update the AAS Case Study and master examinations, the CAE Case Study and comprehensive examinations, and the RES Case Study and master examinations.
- The board approved a new fee structure for members holding multiple designations beginning in 2013.
- The board approved a new grading fee of $350.
- A comprehensive 2013–2015 International Development Plan drafted by representatives of the International Special Committee was approved.

(continued on page 16)

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International Association of Assessing Officers

Factors Affecting the Property Tax: A Media Guide to Property Tax Systems

Alan Dornfest, AAS, and Chris Bennett

The statements made or opinions expressed by authors in Fair & Equitable *do not necessarily represent a policy position of the International Association of Assessing Officers.*

This article describes some of the difficulties encountered in trying to effectively compare local and regional taxing systems, including the property tax. It is intended to explain why property tax systems are not necessarily directly comparable and why any comparisons should be evaluated carefully to ensure they are valid and unbiased.

State and local government in North America is traditionally funded from three primary tax sources: income tax, sales tax, and property tax. This triad of funding sources has been referred to as the *three-legged stool* for funding state and local government. (For a discussion of this topic, see, for example, *Principles of a High Quality State Revenue System* [National Conference of State Legislatures 2007].) Fees and charges are also widely used, often as less visible pressure relief valves when taxes or tax increases are deemed unpalatable. No comparison is complete without an analysis of these additional fees and charges.

Media reports abound with endless, creative, and sometimes complex variations on the balance between these funding sources, as lawmakers, advocacy groups, and taxpaying citizens seek ways to fund government through a fair and equitable system—one in which each taxpayer pays his or her fair share.

In the end, someone has to pay; otherwise, there will be no money to support fundamental government services, such as streets and sanitation services, public education, emergency services, and special projects in the community. The challenge is to find a solution acceptable to the tax-paying constituency without placing an undue burden on any one group or funding source.

The process of achieving that balance is a continual whirl of creative possibilities, all of which seem to have been tried in various combinations at some point. During these attempts at achieving balance, it is natural to examine what other jurisdictions are doing and to compare those approaches with the current mix of solutions being considered.

During difficult economic times, established economic concepts upon which government funding is based may be challenged more frequently by the media, the public, politicians, and policy makers.

When current funding solutions fail to meet real and perceived budgetary needs, there is a flurry of creative proposals about ways to continue funding government services from alternative sources. The media thrive on reporting the continuous speculation of lawmakers, the public, and special interest groups on different ways to obtain funding while maintaining some sense of fairness and balance.

Often, however, basic underlying presumptions about relative tax burdens and the relationship among changes in the economy, changes in property values, and changes in the amount of tax revenue that may result are wholly or partly incorrect. Even if presumptions are correct for one locality or region, they may be incorrect elsewhere and lead to incorrect comparisons or broad over-generalizations.

This article focuses on promoting a better understanding of the property tax—how it fits into intergovernmental finance and how it reacts to changing economic circumstances—and major typical assessment and taxation models. In the first half of 2012 in North Dakota, anger

over the property tax led to a "temper tantrum" reaction to simply abolish the tax. Figure 1 illustrates an examination of the North Dakota situation by one media outlet.

Scope and Definitions

The purpose of this article is not to dispute the arguments for or against the property tax as it exists. It is to inform the subject in general, so those who are analyzing elements of the property tax in response to particular allegations or perceptions gain perspective and are able to provide a more cogent and credible analysis. The article looks at common issues and themes that affect the property tax. Because of regional differences, property tax comparisons should be made very carefully.

Because there are many possible taxes on property, property tax in this article is defined as a recurrent tax based on the value (whether market value or some other value) of the property against which the tax is levied. Hence, charges and fees that may be levied per house (i.e., sewer or water fees) or may be due on sale of property (i.e., transfer fees) are not included; the distinction between property taxes and these various other fees may appear to cloud the issues. The intent is to better focus the issues at hand on traditional property tax per se.

State and Regional Factors Affecting the Property Tax

Every state has provisions for property taxation to occur. The tax, however, is rarely and minimally used as a source of state revenue (see table 4). Rather, it is a mainstay and the domain of many local governments, such as schools, counties, cities, and special districts (e.g., fire protection, emergency services, road maintenance, and the like). In addition, there are multiple options regarding the type of property against which the tax is levied. The determination of underlying taxable value is also subject to many considerations.

Hence, there is not one property tax in the United States. Because the property tax is predominantly a local tax (albeit authorized by the states and the District of Columbia, which is considered a local government) and because of local options regarding the tax, it is not even proper to suggest that there are 50 or 51 property tax systems. There are in fact many more. However, certain common features affect the buoyancy of the tax during difficult economic times and enable some comparisons to be drawn, if understood. These same factors heavily influence the ability to compare property taxes among regions.

Classification—Assessment at a Percentage of Market Value

It is common for states (more rarely localities) to authorize that taxable values (known as assessed values) of property be set as a percentage of market value, rather than at market value. Usually this is done to purposefully shift the property tax burden away from selected property types to others, regardless of underlying market value. For example, it is common for states to use percentages that favor residential property over commercial property. In such a system, the share of tax paid by residential property is lower than if all property were to be assessed at market value. However, arguably, this may make the system more resistant to economic downturns, such as the most recent one, which may have affected residential property to a greater extent than other property types, such as farmland or commercial property.

Frequency of Reappraisal or Revaluation

While the property tax is based on the premise that a taxable value for each property will be established annually, this taxable value may or may not be

Figure 1. Published opinion on move to abolish the property tax in North Dakota

Petitioners have filed a proposal with the secretary of state to repeal all property taxes in North Dakota and to replace these locally collected taxes with revenue collected at the state level. Residents will vote on the measure in the 2012 primary election.

Under the measure, the Legislature will be required to replace the lost revenue with state-collected taxes. Since the measure mandates replacement of the lost revenue, it is not designed to cut taxes but to shift them from the current payers to different payers.

As we discovered when we eliminated the personal property tax on farm equipment, store inventories and household goods, getting money back to the school districts, counties, cities and townships proved to be almost impossible— and personal property constituted only 15 percent of the total property tax at the time.

If the proposed measure intends that all local governments continue to receive the same amount of revenue from the state as they did from local property taxes, then the Legislature will have to develop a formula tailored to each political subdivision because local governments have a variety of local options. Consequently, every school district, county, city and township has a different mixture of programs and mill levies.

Under current law, counties have around 40 different levies they may or may not use. Among them are levies for such programs as roads, veterans' services, extension work, planning, advertising, emergency medical, weed control, senior citizens, job development, fairs and parks. Each county levies a different amount for each service within limits set by the Legislature.

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The same is true for cities. School districts may levy for special education, renting space, cooperative education, school buses, kindergarten, long-distance learning, school buildings and more. With each local government using property taxes in its own way, the Legislature will be required to come up with a payback plan that will fit each of the 2000 local governments using property taxes. Local governments could be given exactly what they are now raising. That may work for a year or two, but freezing the payback would not meet the changing needs of local governments. At the same time, local governments would be prevented from adopting any new options because they will have no access to revenue.

Source: http://www.inforum.com/event/article/id/319024/group/Opinion/.

based on current market value. Common alternatives include the following:

- Caps on value increases, which result in taxable values that lag market value when the market is increasing or decreasing rapidly; usually, taxable value cannot exceed market value.
- Cyclic reappraisal, in which some, but not all, property values are updated in a given year, with the remainder updated on a cyclic basis (e.g., every 6 years, every 4 years, and so on).
- Periodic scheduled adjustment, perhaps resulting in changes in taxable values every 2 years, for example.
- No scheduled adjustment or no uniform, statewide schedule; in this case, adjustment depends on either legal action or local governmental decisions to move from a base year.
- Base value as of a given year; this usually includes small allowable adjustments each year and, often, a provision for adjustment to full market value on sale.

Without understanding whether the revaluation systems are similar in two or more states or localities, it is impossible and misleading to make valid comparisons (especially of property tax rates) and to determine the effects of economic conditions that may, for example, drive down home prices but have no immediate effect on taxable values. Table 1 demonstrates some of these options and shows the effect on taxable values under various hypothetical situations.

Table 1 accounts for some, but not all, variations of valuation systems. It accounts for *none* of the variations in the taxation side of the equation. It is the combination of the valuation limitations or conditions and the taxation limitations or conditions that ultimately determine how much tax revenue there will be and the shares and amounts to be paid by each property. In other words, just knowing what happens to taxable values is not enough to enable understanding of tax effects. Are tax rates frozen? Are property tax amounts frozen or subject to increase limitations, either by taxing district (as in many states) or by individual taxpayer (as in Nevada and California)? These questions must be explored to fully understand the property tax system and make valid comparisons among states.

Table 1. Effect of underlying valuation system on taxable value changes

System in Place	Year 1		Year 2		Year 3	
	Market Value	Taxable Value	Market Value	Taxable Value	Market Value	Taxable Value
Current market value	100,000	100,000	125,000	125,000	95,000	95,000
Taxable value frozen at lower of year 1 base value or current market value	100,000	100,000	125,000	100,000	95,000	95,000
Year 1 base value with no adjustment (i.e., frozen value)	100,000	100,000	125,000	100,000	95,000	100,000
Year 1 base value with 5 percent annual adjustment; taxable value cannot exceed current market value	100,000	100,000	125,000	105,000	95,000	95,000
Cyclic value adjustment—revaluation only in year 2	100,000	100,000	125,000	125,000	95,000	125,000

Legislation, Rules, and Policies

One major area in which statutory provisions can influence comparison of property taxes among states is exemptions. There are some common themes—most states exempt charitable and religious organizations, for example. In addition, in many places, homeowners, agricultural and timber enterprises, and regional economic development interests have received the benefit of partial exemptions, special constrained valuation methods, and other property tax incentives. These treatments may have the effect of lessening taxable value change in declining economies and must be taken into account when localities are being compared. In addition, exemptions and similar provisions may compensate for high tax rates.

An area of emerging legislative pressure is the treatment of personal property, usually defined as movable furniture, fixtures, machinery, and equipment, of businesses. In most states such property is taxable, but 10 states report broad exemptions for this type of property, six states report partial exemptions, and six states report local option exemptions (Dornfest et al. 2010). To complicate matters further, the definition used differs substantially among states (and is being redefined within states [Patterson 2012]). Thus, an item that is exempt as personal property in one state may not be in another, even though both states report *personal property* as being exempt.

Because of these and other similar issues involving exemptions and definitions, a *high* tax rate may be a meaningless comparative concept, especially for businesses seeking competitive advantages or homeowners considering moving from one state or region to another. For business, just simply understanding what is taxable (as well as what services may be provided) may be more important. For homeowners, special partial exemptions or other means of lowering taxable values of homes may be more critical.

Equalization

The term *equalization* refers to any process whereby a governmental oversight body alters values determined by the authority initially responsible for setting those values. The most common type of equalization occurs

within local governments. For example, a board of review may examine data or respond to appeals and in turn adjust taxable values set by a local assessor. Often, local assessments (meaning taxable values) are subject to further review by state-level equalization agencies.

States follow several different models with respect to equalization of locally determined taxable values. Some states oversee valuations set by local assessors. They may change these values when they are outside certain standards. They may change values in determining state aid to education and other revenue-sharing programs; they may order reappraisal; or they may take no action. In the latter two cases, corrections for under-assessment or over-assessment may occur over a long period of time or not at all. Therefore, in making comparisons, it is important to know the degree and speed of implementation of equalization and, if there is limited equalization, the results of current ratio studies, which would show the current level of assessment, not just the statutory requirements.

It is equally important to understand the effect of equalization on taxes and on the distribution of state aid. Often, equalization serves to shore up funding for property *poor* areas (i.e., areas that would not be able to raise much property tax to support schools or other state-mandated services). Finally, when equalization alters taxable values, it is important to understand the underlying tax-levy-setting system to know whether this means significant changes in tax revenue or even in the amount of property tax that will need to be paid by individual taxpayers. Effects of such equalization often are not apparent, and results may be counter-intuitive if, for example, property tax levy caps and limits prevent taxing districts from taking advantage of large adjustments to taxable value.

Caps and Limits

In addition to caps on value changes discussed earlier, it is critical to understand limits that affect the amount of property tax that can be raised (levied). Although there are many nuances, there are two predominant systems in place in the United States: *budget-* or *levy-driven* and *rate-driven*.

In a budget- or levy-driven system, the dollar amount that can be raised (levied) in any year is fixed or subject to limited growth options (e.g., the dollar amount may be able to grow by 3 percent plus an allowance for new construction; see, for example, Idaho Code, §63-802). In this type of system, taxable value increases above the allowable budget increase result in lower levy rates (sometimes termed *rollbacks*), precluding taxing districts from realizing budget windfalls from value increases. At the same time, when taxable values decrease (as has been common in the current economic situation), tax rates float upward to produce the same property tax dollars. This system effectively prevents (or minimizes, in the case in which there are rate limits above which taxing district rates cannot go) loss of revenue for property-tax-funded services.

In a rate-driven system, the dollar amount that can be raised (levied) in any year is determined after taxable values are set by multiplying the statutory or given rate by the underlying taxable value in a taxing district. If taxable values rise, more property tax revenue is derived. Conversely, if taxable values fall, there is less revenue for taxing districts.

Those making property tax comparisons often assume that the rate-driven system is in effect everywhere. Hence, they draw the logical, but often incorrect, conclusion that falling property values must be leading to lower local government revenue. To understand the validity of this assertion, it is necessary to understand which of the two main underlying systems is being used and what the restrictions are in the regional systems being compared.

Table 2 compares rate-driven and levy- (budget-) driven taxation systems in terms of how much tax is collected overall and how much is paid by individuals given many changes in taxable value (modeled after Table 6-1 in Almy et al. 2008, 173).

The initial year's tax rate in this example is 1.25 percent. In the rate-based column, however, the taxing authority merely leaves its tax rate the same between the two years, and given growth in taxable value, the system generates additional property tax revenue.

While table 2 illustrates the effect of rate-based or levy-based taxation systems given the classic case of taxable values that generally increase over time, it does not show what happens given declining property values, which have been experienced in many areas in recent years. Understanding the underlying taxation system is as critical in declining markets, because the results may be counter-intuitive to the

Table 2. Comparison of rate- versus levy- (budget-) driven taxation systems when taxable property values are increasing

	Taxable Value		Property Tax ($)			Net Difference ($) (Rate-Based versus Budget-Based)
				2012		
Parcel	2011	2012	2011	Rate-Based	Levy- (Budget-) Based	
A	100,000	200,000	1,250	2,500	2,222	+278
B	100,000	100,000	1,250	1,250	1,111	+139
C	100,000	100,000	1,250	1,250	1,111	+139
D	100,000	50,000	1,250	625	556	+9
Total	400,000	450,000	5,000	5,625	5,000	+625

common expectation that property tax revenue will be lower. The two prevalent systems are compared in table 3 for declining taxable values. In table 3, in the budget-based system, the levy rate floats upward from 1.25 percent to about 1.52 percent. This compensates for decreasing taxable values and has the effect of protecting the property tax revenue stream for the taxing district.

There tends to be a broad misunderstanding that all or even most property tax systems are based on fixed rates and, therefore, taxes react like the rate-based example in table 3; that is, overall amounts decrease when underlying overall taxable values decrease. Often, underlying taxation systems are hybrids and do not reflect either budget or rate bases entirely. Nevertheless, this significant aspect of property tax systems must be understood for comparisons or overall statements or predictions about property tax to be meaningful.

Property Taxes as Part of Governmental Finances

Both state and local government finances include revenue from various sources. The United States Census Bureau compiles information on these sources for each state and nationally. Figure 2 is an example of a compilation for fiscal year 2009.

Table 4 summarizes some key features of this revenue picture. Note that the major sources of state general revenue contribute only 61.9 percent of total state general revenue and 60.5 percent of local general revenue. This is because general revenue includes intergovernmental revenue sharing (see highlighted row in figure 2), mostly from the Federal Government with respect to states and from states with respect to local government. Figure 2 shows that revenue sharing from the Federal Government constitutes 31.8 percent of state government general revenue. Similarly, figure 2 shows that revenue sharing from federal and state government to local government constitutes 37.7 percent of local government general revenue.

Table 4 demonstrates the emphasis on property tax at the local level. The proportion of local government funding provided by this source has remained relatively stable for some time, actually increasing slightly since 2005, when it accounted for 72 percent of local government tax revenue. For comparison, in 1980, property

Table 3. Comparison of rate- versus levy- (budget-) driven taxation systems when taxable property values are declining

Parcel	Taxable Value 2011	Taxable Value 2012	Property Tax ($) 2011	Property Tax ($) 2012 Rate-Based	Property Tax ($) 2012 Levy- (Budget-) Based	Net Difference ($) (Rate-Based versus Budget-Based)
A	100,000	80,000	1,250	1,000	1,212	–212
B	100,000	100,000	1,250	1,250	1,515	–265
C	100,000	100,000	1,250	1,250	1,515	–265
D	100,000	50,000	1,250	625	758	–133
Total	400,000	330,000	5,000	4,125	5,000	–875

Figure 2. Sources and amounts of state and local government revenue

(Dollar amounts are in thousands. Coefficients of variation (CV) are expressed as percentages. For meaning of abbreviations and symbols, see note below table.)

Source: U.S. Census Bureau, 2009 Annual Surveys of State and Local Government Finances. Data users who create their own estimates using data from this report should cite the U.S. Census Bureau as the source of the original data only. The data in this table are based on information from public records and contain no confidenti data. The state government data in this table are from a survey of all state governments and are not subject to sampling error. The 2009 local government data in this table are from a sample of local governments, and as such, are subject to sampling variability. Additional information on sampling and nonsampling error, response rates, and definitions may be found at

http://www2.census.gov/govs/state/09_methodology.pdf

http://www2.census.gov/govs/estimate/2009_local_finance_methodology.pdf

Description	United States Total: State & local government amount[1]	State & local government CV	State government amount	Local government amount[1]	Local government CV
	1	2	3	4	5
Revenue[1]	2,066,665,708	0.09	1,123,226,058	1,433,817,792	0.14
General revenue[1]	2,413,384,189	0.07	1,495,730,319	1,408,032,013	0.13
Intergovernmental revenue[1]	536,760,320	0.10	495,623,675	531,514,788	0.16
From Federal Government	536,760,320	0.10	475,952,532	60,807,788	0.89
From State government[1]	(1)	(X)	–	470,706,999	0.14
From local governments[1]	(1)	(X)	19,671,143	(1)	(X)
General revenue from own sources	1,876,623,869	0.09	1,000,106,644	876,517,225	0.19
Taxes	1,271,355,992	0.10	715,496,219	555,859,773	0.24
Property	424,014,170	0.28	12,964,188	411,049,982	0.29
Sales and gross receipts	433,556,015	0.12	344,567,991	88,988,024	0.57
General sales	291,045,219	0.16	228,728,864	62,316,355	0.73
Selective sales	142,510,796	0.16	115,839,127	26,671,669	0.87
Motor fuel	37,815,730	0.11	36,471,286	1,344,444	3.02
Alcoholic beverage	5,865,179	0.45	5,347,705	517,474	5.08
Tobacco products	17,157,014	0.02	16,689,547	467,467	0.55
Public utilities	28,376,118	0.61	14,898,003	13,478,115	1.29
Other selective sales	53,296,755	0.27	42,432,586	10,864,169	1.32
Individual income	270,517,726	0.06	245,880,786	24,636,940	0.64
Corporate income	45,979,954	0.02	39,277,558	6,702,396	0.13
Motor vehicle license	21,296,295	0.12	19,626,624	1,669,671	1.51
Other taxes	75,991,833	0.30	53,179,072	22,812,761	0.99
Charges and miscellaneous general revenue	605,267,877	0.16	284,610,425	320,657,452	0.31
Current charges	388,766,090	0.24	161,238,746	227,527,344	0.41

Source: United States Census Bureau. State and Local Government Finances by Level of Government and by State: 2008–2009. http://www.census.gov/govs/estimate/ (accessed Feb. 1, 2012).

Table 4. Proportions of state and local revenue contributed by various taxes and charges (fees) in FY 2009

Revenue Source	General Revenue (%) State Government	General Revenue (%) Local Government	Tax Revenue (%) State Government	Tax Revenue (%) Local Government
Property tax	0.9	29.2	1.8	74.0
General sales tax	15.3	4.4	32.0	11.2
Selective sales taxes	7.7	1.9	16.2	4.8
Individual income tax	16.4	1.7	34.4	4.4
Corporate income tax	2.6	0.5	5.5	1.2
Charges and misc. revenue	19.0	22.8	NA[a]	NA
Total	61.9	60.5	89.9	95.6

[a] *NA = data not available.*

tax accounted for 76 percent of local government tax revenue. Prior to that time, it accounted for a higher percentage; however, the decrease in this proportion was due to increased state payments to local governments, not to increased use of other taxes (Fisher 1996, 203–204).

Figure 3 shows the sources of state and local revenue in fiscal year (FY) 1992 for recent comparison. Table 5 shows the proportional shares of local government revenue derived from each major source in 1992 and 2009. In addition, table 5 includes FY 1977 revenue shares, an important comparison because that year predated any of the major property tax revolts, led by California's Proposition 13 in 1978. It is apparent that, for local governments in the United States, both fees and taxes, including property taxes, have tended to be level during the most recent 17-year period shown in table 5.

Over the same period, the proportion of local government funding contributed by states in the form of revenue sharing has increased. Over a much longer time span, there has been a decrease in reliance on the property tax for local government funding. This is apparent from the FY 1977 data in the table. This decline is more dramatic over an even longer period. In 1962, 48 percent of local government general revenue and 88 percent of local government tax revenue was derived from property taxes (Almy et al. 2008, 13). Nonetheless, despite political pressure to lower property taxes and local movements in that direction, there has been no measurable national trend along these lines in recent years. While this may be surprising, it may also reflect the importance of the property tax and the nearly insurmountable challenges of replacing this revenue source.

Two other trends are notable in table 5. First, while relatively stable from 1992 to 2009, charges and fees increased significantly from 1977 to 1992—the share represented grew by 50 percent. Undoubtedly, this reflects the pressure to decrease reliance on the property tax over that period. Second, the proportion of local government revenue derived from the Federal Government declined from 9.3 percent in FY 1977 to 3.5 percent in 1992, before rebounding slightly to 4.3 percent in 2009. Arguably, therefore, some of the needs fulfilled by increased charges and fees may have been funded with federal funds previously.

Figure 3. Sources of state and local revenue, FY 1992

U.S. Census Bureau

State and Local Government Finances by Level of Government and State: 1991-92
(Thousand dollars. Detail may not add to total because of rounding)

Geographic area and item	UNITED STATES		
	State and local governments[1]	State government	Local governments[1]
	1	2	3
Population (July 1, 1992, in thousands)	255,082	254,493	255,082
Personal Income (Calendar year 1991, in millions)	5,376,622	5,359,089	5,376,622
Revenue[1]	**1,189,987,099**	**743,521,591**	**655,215,792**
General revenue[1]	979,136,792	608,804,311	579,082,765
Intergovernmental revenue[1]	179,174,330	169,928,166	217,996,448
From Federal Government	179,174,330	159,067,541	20,106,789
From State government	0	0	197,889,659
From local governments[1]	0	10,860,625	0
General revenue from own sources	799,962,462	438,876,145	361,086,317
Taxes	559,859,016	331,179,823	228,679,193
Property	180,336,841	7,363,812	172,973,029
Sales and gross receipts	197,731,143	164,135,284	33,595,859
General	131,979,152	108,712,128	23,267,024
Selective	65,751,991	55,423,156	10,328,835
Motor fuel	22,958,092	22,252,877	705,215
Alcoholic beverage	3,882,309	3,590,510	291,799
Tobacco products	6,311,867	6,118,679	193,188
Public utilities	13,475,193	7,764,969	5,710,224
Other	19,124,530	15,696,121	3,428,409
Individual income	115,637,837	104,994,892	10,642,945
Corporate income	23,880,252	21,851,236	2,029,016
Motor vehicle license	11,496,534	10,652,964	843,570
Other taxes	30,776,409	22,181,635	8,594,774
Charges and miscellaneous general revenue	240,103,446	107,696,322	132,407,124
Current charges	138,304,683	52,941,024	85,363,659

Source: United States Census Bureau, Governments Division, 2003. "State and Local Government Finances by Level of government and State: 1991–92." http://www.census.gov//govs/estimate/92sl00us.html (accessed April 17, 2012).

In Lieu of Taxes

Local government funding is always multifaceted, deriving revenue predominantly from some combination of property tax, other taxes, fees and charges, and intergovernmental revenue sharing. To understand the impact of lower property taxes, it is critical to understand the availability and interrelationship of all the current or potential revenue sources. For example, the inability to raise or sustain property taxes for parks may result in park closures or increased fees for use of park facilities.

Intergovernmental revenue sharing is a key fiscal component for many local governments, which may derive significant shares of revenue from the state or the Federal Government. Some of this revenue may be tied to mandates to lower property tax by some amount or percentage of the revenue received. This is especially true with regard to state-provided revenue sharing, which often has

Table 5. Proportion of local government revenue contributed by various taxes and charges (fees), FY 1977, 1992, and 2009

Revenue Source	General Revenue (%)			Tax Revenue (%)		
	FY 1977	FY 1992	FY 2009	FY 1977	FY 1992	FY 2009
Property tax	33.7	29.9	29.2	80.6	75.6	74.0
General sales tax	3.0	4.0	4.4	7.2	10.2	11.2
Selective sales taxes	1.6	1.8	1.9	3.8	4.5	4.8
Individual income tax	2.1[a]	1.8	1.7	5.0	4.7	4.4
Corporate income tax	[b]	0.4	0.5	[b]	0.9	1.2
Charges and miscellaneous revenue	15.2	22.9	22.8	NA[c]	NA	NA
State revenue sharing	33.7	34.2	37.7	NA	NA	NA
Federal revenue sharing	9.3	3.5	4.3	NA	NA	NA

[a] In FY 1977, corporate income tax was not separately reported, but was included in the figure reported for individual income tax.

[b] Included with individual income tax.

[c] NA = data not available.

Source: United States Department of Commerce, Bureau of the Census. Governmental Finances in 1976-77. Table 24. "Local Government Finances, by State and Type of Government: 1976–77." November 1978.

been initiated to provide replacement money or to prevent tax shifting with respect to a new exemption. Although such payments may be planned to continue indefinitely, intergovernmental revenue shares may be reduced, especially when higher levels of government have fiscal crises. Currently, for example, there is no congressional reauthorization for certain federal monies used to support schools, roads, and highways in areas where timber is harvested from federal lands (Craig/Wyden funds). These funds are scheduled to expire in 2012, and the disappearance of these funds is likely to place more pressure on property taxes or fees, depending on the ability of localities to raise either.

At the state level, Idaho has been debating whether to exempt personal property from property taxes. Replacement money would amount to 10 percent of the total property taxes and may not be fully responsive to future growth in personal property (machinery and equipment). Such a large amount of funding could be in jeopardy when future economic downturns occur. This in turn could create more pressure for property tax increases. Again, the interrelation of these alternative funding sources must be understood to appreciate differences in property tax levies.

On the flip side, some entities otherwise exempt from property taxes may pay in lieu of amounts to help defray the cost of local government services related to their existence. For example, colleges sometimes pay local governments to prevent otherwise high property tax rates and to be viewed as full participants in local communities. The availability of this type of funding serves to lessen pressure on property taxes.

State Subsidies

One of the most significant sources of local government general revenue is money received from state governments. In FY 2009 (United States Census Bureau, Governments Division, 2003. "State and Local Government Finances by Level of government and State: 1991–92." http://www.census.gov//govs/estimate/92sl00us.html (accessed April 17, 2012), this amount was 33.4 percent of all local government general revenue. As indicated previously, state subsidies can be in lieu of property taxes, or they can be in the form of grants and matching funds for schools, highways, indigent needs, and other programs. The extent of these funds can affect the need for property taxes.

Aside from state subsidies to local governments, states may provide direct or indirect credits related to property taxes. The purpose of these credits may be to promote economic development or to sustain certain property uses (e.g., circuit breaker tax credits to reduce the impact of property taxes on low-income homeowners). Such subsidies take the pressure off property tax with respect to the affected properties. This in turn must be taken into account when tax burdens in different areas are compared.

Are Property Taxes High?

To understand this important and often explored aspect of property (and other) taxes, it is crucial to parse the question into areas of tax incidence and tax burden. The key difference is that *tax incidence* looks at different sectors of the economy and analyzes how the tax burden is distributed to each sector. *Tax burden*, on the other hand, takes income or population differences into account and can differentiate between tax types (i.e., property, income, and sales), but does not distinguish between different types of taxpayers.

So, for example, a tax burden study may show that the average per-capita property tax in the United States was $1,381 in FY 2009 and that the per-capita property tax in Idaho was $812 that year (Dornfest 2012a). Does this mean that the per-capita property tax burden in Idaho is comparatively low? Yes. Does it mean that homeowners in Idaho pay less property tax than homeowners in most other places in the United States? Not necessarily. Per-capita tax often is misconstrued to mean the tax paid by individuals or homeowners. In fact, its straightforward definition is the total property tax collected divided by the total population of the state or the country. The total tax includes taxes paid by farmland, timberland, industrial, and commercial property as well as homes. Can conclusions be drawn about whether rich or poor property owners pay higher or lower taxes in one state than in another? Yes, but only if

incidence and burden are included in the analysis.

In an attempt to bridge this gap, the government of the District of Columbia analyzes property, sales, income, and motor vehicle taxes paid by homeowners living in families of three people and earning varying amounts of income (Government of the District of Columbia 2011, http://cfo.dc.gov/node/296712, accessed November 20, 2012). Although this analysis provides another perspective and certainly makes comparisons between places more accessible, its conclusions are dependent on underlying assumptions about family economic life. It also analyzes only the largest city in each state, so comparisons may not reflect other areas.

Tax burden studies often show places with high property taxes when, in fact, the taxes are levied in an atypical way or the taxes tend to be paid largely by a narrow sector of the economy.

Other studies attempt to isolate taxes paid by the lowest or highest income taxpayers or groups of taxpayers. Each study is valid to the extent the underlying assumptions are stated and reviewed for pertinence with respect to the intended use of the analysis for comparison.

One last cautionary note. Tax burden studies often show places with high property taxes when, in fact, the taxes are levied in an atypical way or the taxes tend to be paid largely by a narrow sector of the economy. For example, some states levy property tax on vehicles, while others do not but may have higher registration fees. Unless all vehicle-related taxes and fees are identified, either the tax or the registration fee may appear distorted in comparison to other localities.

As another common example, states with economies largely dependent on natural resources, such as oil and gas, often appear to have high property taxes. Wyoming is such a state, and its per-capita property tax burden was 68 percent higher than the United States average in FY 2009. Alaska's per-capita property tax burden was 24 percent higher than the United States average for the same year. Yet, do either of these states have high *residential* property taxes? Both states have significant portions of their property tax paid by their resource industries, so any conclusion about residential property taxes based on these statistics is inappropriate and misleading.

Strengths and Weaknesses of Taxes Used by Local Governments

Property tax is often criticized on the basis of several features or perceptions, including

- Large lump-sum payments
- Ability to pay less related to income
- Effect on unrealized capital gains
- Complex administration and calculation.

States and localities have enacted various strategies to reduce these negative attributes and perceptions. Several states permit installment payments to avoid the lump-sum problem. At least 30 states have circuit breaker programs to help low-income homeowners (and sometimes renters) pay property taxes. Appeals systems and public relations programs promote transparency. Local officials, who usually are responsible for administering the property tax, tend to be more accessible than state officials.

To the extent non-property taxes are available for local government use, there may be less pressure on the property tax and rates may be low. This is often true in tourist areas, where sales taxes and various fees may provide adequate substitutes, and in areas with abundant natural resources, such as oil and gas, with associated fees and severance taxes.

With these exceptions, other taxes generally are less suitable for local government use. In particular, sales and income taxes require extensive administrative structures, which do not exist for most local units of government. Property tax collection and administration tends to be consolidated at the county or town level, with special-purpose districts, such as fire and flood control districts, receiving property tax revenue but not otherwise administering the tax. Sales and income taxes rarely are used by special-purpose districts. In addition, because the property tax tends to be more stable despite economic up and down swings, it is more suitable to sustaining specialized local services, the need for which presumably remains relatively unchanged regardless of economic trends.

Local Factors Affecting the Property Tax

Many factors can affect the property tax, such that apparently similar cities, counties, or other local entities have very different reliance on property tax and very different property tax rates. Before it can be concluded that one jurisdiction outspends another, these factors need to be isolated. Spending is important, but, in addition, at the local level, property taxes and tax rates may be high or low depending on the following factors:

- The available tax base
  - The extent of exempt properties
  - Availability of in lieu of tax payments by exempt entities
  - Valuation base in terms of current market value versus out-of-date base or other value systems

- Available alternatives for funding services
  - State or federal intergovernmental aid
  - Local non-property taxes (i.e., local option sales or income taxes)
  - Ability of local government to establish and increase fees for services
- The extent of services provided by local government
  - Mandates from the state and the Federal Government (i.e., indigent health care, sewage treatment, emissions testing)
  - Local demand for services such as libraries, fire protection, recreation, specialized school programs (e.g., language, remedial classes)
- The extent of unfunded pension liability and other forms of long-term debt
- The existence of rate caps or constraints that may preclude property tax increases.

Local Budget Funding Requirements

Local units of government may be mandated to provide services that vary within different states or in specific locations within a state. Such services may be diverse, with one local government needing more funding for courts and others needing more funding for indigent care and catastrophic health care or environmental remediation.

Local government funding needs and property tax requirements are also influenced by the structure of government within a state. For example, many western states supplement state funding of road maintenance with local funding raised by means of property tax. This model generally is not used in eastern states, so this particular pressure on local property taxes is less likely to exist.

Funding requirements may also be influenced by local demand, with certain communities wanting more recreational options, such as bike paths, while others want only bare-bones governmental involvement with few discretionary amenities. The bottom line may be, as some public finance experts contend, that based on a combination of variation in demand for local services and the need for stable revenue with which to provide for these services, for American cities, towns, and counties, "…there are no viable alternatives to taxing property, at least none that can ensure fiscal and political autonomy" (Brunori 2003, 2).

A key emerging area of concern is unfunded pension liability, which grew substantially in many areas during the recent economic downturn. In many instances, this liability has increased the amount of long-term debt that must eventually be paid from property taxes.

School Funding

School funding tends to be an example of a shared expense, with both states and local governments responsible for raising money. In FY 2007, for example, half of all property taxes were used to finance elementary and secondary public education in the United States and 29 percent of all school funding came from property tax (Kenyon 2007, 4). However, in the last several years, states such as Michigan, Idaho, and South Carolina have reduced reliance on local property taxes for such school funding, substituting state funds as replacement.

In at least one of these states, Idaho, state funding shortfalls subsequently have resulted in pressure to pass local property tax *supplemental* levies, and what began as reduced property taxes now appears as increased property taxes in self-selected school districts (Dornfest 2012b). It is therefore increasingly important for those comparing property taxes among states and localities to understand the nature and availability of both state funds and property taxes for school funding. In addition, legislation changes the playing field and the rules, so past practice and law may not indicate current patterns.

Funding requirements may also be influenced by local demand, with certain communities wanting more recreational options, such as bike paths, while others want only bare bones governmental involvement with few discretionary amenities.

It is important to determine what is meant by *school funding* and to distinguish between various elements and uses of that funding. So, in Idaho, for example, it is equally correct to report that general school funding is no longer provided by property tax for most school districts; yet, in 2011, 29 percent of all property tax in Idaho was raised by direct school district levies (Dornfest 2011). Is there a disconnect? Yes, but it's all in the meaning of words such as *general school funding*, which does not include levies for new buildings, repairs, emergencies, liability insurance premiums, and other functions for which property tax support is still permitted. These nuances of property tax systems are not simply semantic and must be understood for meaningful reporting on school funding issues.

Special Taxing Districts or Special Service Areas

The 2007 Census of Governments (United States Census Bureau 2011) reported 89,476 local governments, including school districts, in the United States. Of these, 29,044 were considered general purpose, such as

counties, municipalities, and towns or townships, each of which performs multiple functions and some of which may be supported with property taxes. The remaining 50,432 local governments are considered special purpose, usually meaning that they perform one primary function, such as providing fire protection. To help understand the diversity in taxing districts, table 6 provides examples of the types and numbers of general and special-purpose taxing districts in Idaho.

Sometimes local governments have authority to raise revenue through property taxes but instead receive revenue from general-purpose governments that are authorized to levy property tax for that purpose, or local governments have no property tax authority and instead rely on fees, grants, and other revenue sources. This disparity leads to comparison difficulties.

Table 6. Examples of general and special-purpose taxing districts based on use in Idaho in 2011

District Type	2011 Idaho Taxing Districts	
	Number of Districts	Districts Levying
Ambulance	25	25
Auditorium	3	2
Cemetery	180	178
Cities	201	191
Community Colleges	3	3
Counties	44	44
Fire	157	157
Flood Control	14	10
Herd	1	0
Highway-County Road & Bridge	98	74
Hospital	17	16
Infrastructure	1	1
Library	56	55
Abatement	23	22
Pest Control	5	5
Port	1	1
Recreation	34	29
Regional Airport	0	0
School	115	114
Sewer	36	11
Sewer & Water	53	14
Water	26	5
Watershed Improvement	9	1
Total	1,104	958

For example, as shown in table 6, in Idaho sewer and water districts all have authority to levy property taxes, but few do so. A taxpayer located in a sewer or water district that does levy property tax may appear to be paying more, but may in fact be paying less overall than another taxpayer with property in a sewer or water district that does not levy property tax but has higher fees.

In addition, general-purpose governments do not all provide the same level of services. Large cities, for example, commonly provide fire protection services as part of their general fund, using their property tax authority. Small cities may not be able to maintain the infrastructure necessary to pay for fire protection services, so fire protection districts may charge property tax to property owners. So, in the small city, it may appear that an additional property tax is being paid; in reality, the tax is simply more transparent, instead of being buried in the large city's general fund. Merely comparing property tax between the two taxpayers would lead to a misleading and wrong conclusion about the costs of supporting government in the two areas.

Tax Increment Financing Districts

As of 2009, 26 states report provisions for tax increment financing (TIF) (Dornfest et al. 2010). Under typical TIF systems, some or all property taxes raised within predesignated areas are diverted from taxing districts to defray costs for infrastructure and other developments in these areas. Depending on the underlying budget and levy system and on the potential for development of the area without the availability of TIF, this could mean lower property tax revenues for taxing districts that overlap such a designated area. In some cases, however, taxing district revenues are protected through higher levy rates. In this instance, taxpayers may be required to pay more, making up for amounts lost to the TIF districts. Even then, however, blanket statements about such effects should not be made. For example, if the development would not have occurred without the advantages of TIF, then the tax rate and tax paid would be unaffected and the program would be neutral to all taxpayers. Without an understanding of the nuances, comparisons between TIF programs and their effect on taxpayers and taxing districts are dubious at best.

Other Sources of Income (Revenue)

As indicated earlier, local governments have many potential sources of income or revenue. These are delineated in figure 2 and table 4 and, depending on underlying state statutory constraints, may be more or less available in different states. To the extent alternatives are available and there is the necessary political will to use them, there may be less pressure on the property tax.

Staffing and Infrastructure to Maintain Taxing System

Some fundamentals are implicit in managing a property tax system and ensuring that all taxable property is included and that appropriate billing and collection laws and processes are in place. Staffing must be sufficient to identify and list new construction and new land developments that have become taxable or have changed in use. This requires review of building permits and inspection of developing sites and accurate maps and records. For personal property that may be self-reported, various follow-up and audit-type procedures may be necessary to prevent under-reporting. Without

sufficient staffing and process control, gaps will occur and may lead to higher tax rates or lower tax collections.

Public Control (Referendums versus Legislation, Administrative Rules, Appeals Court Decisions)

Not all tax policy is implemented as part of the legislative process. Often public referenda begin as grass-roots movements and dramatically restructure the property tax system and environment. This certainly was the effect of Proposition 13 in California, which, in the late 1970s, amended the California constitution to restrict both taxable value increases and property tax rates. Aside from the obvious effects, to better understand the evolution, or lack thereof, of property taxes in response to similar public pressure, it is important to understand whether state constitutions are subject to direct amendment through referenda or only to indirect amendment by election following legislative enactment of a proposed constitutional change. In Idaho and similar states, direct amendment of the constitution through referenda is not permitted, so sudden major changes in the underlying property tax system are less likely, because legislative changes must pass constitutional muster.

States often maintain administrative oversight and some degree of control with regard to the property tax system and local implementation of statutory provisions. In such cases, state property tax agencies are authorized to develop and promulgate administrative rules to clarify statutory provisions and promote consist assessment administration practices among local assessing officials. Although such administrative rules have some *extra-legal* components, such as development with limited legislative involvement, properly promulgated rules generally have the force of law, so they should be thought of as elements of the law developed by an alternative process, rather than by typical legislation. In actuality, depending on the structure of the administrative agency and constraints on the rule-making process imposed by the legislative branch, public input to the process may be more or less than during the ordinary legislative process.

Although actions by appeals bodies and lower courts that are not further appealed may not set precedents, they can result in major tax shifts or losses of property tax revenue when large property owners win significant valuation or exemption claims.

Court decisions, especially state supreme court decisions, can alter valuation and tax policy interpretations. However, there may be effects from lower court interpretations and, on occasion, federal court interpretations. Although actions by appeals bodies and lower courts that are not further appealed may not set precedents, they can result in major tax shifts or losses of property tax revenue when large property owners win significant valuation reduction or exemption claims. Often such cases take a long time to be resolved and may thereby result in tax refunds. Sometimes, taxing districts are granted authority to levy additional property taxes to make up for such refunds (see, e.g., Idaho Code §63-1305). Although such additional levies may be short-lived, they may distort comparisons for a period of time and misleadingly lead to unwarranted conclusions about the level of taxation or tax rates in a given area.

Physical Factors Affecting the Property Tax

Properties may pay more or less property taxes because of the taxing districts that provide the services and their revenue structures. Alternatively, the property tax is a tax based on wealth as measured by property value, whether it is current market value or something else. For valid comparisons, therefore, the underlying value of the property and the factors that influence that value also have to be understood. Some of the common factors affecting the value of real property in general and residential property in particular are as follows:

- Physical condition (damage, deterioration) of specific properties and or neighborhoods
- Construction quality
- Lot size, shape, and topography
- Size of improvements
- Heterogeneity of neighborhoods
- Local housing market supply and demand
- View, street appeal
- Access
- Availability of services, especially high-quality schools
- Nearby advantageous or detrimental influences
- Economic opportunity (employment).

Conclusion

Tax comparisons among areas require an understanding of social, political, economic, and geographic factors, including those that affect intergovernmental revenue sharing and the needs and demands of citizenry for local government services. The overarching system in place must also be understood, so that the effects of providing exemptions, credits, or tax limits are clear in terms of tax shifting

or revenue loss potential. The degree of local autonomy must also be understood; it differs widely among states—some states give local governments significant home rule authority and others require local governments to have specific authorization to levy or raise taxes or provide services.

The message for those analyzing and comparing levels of taxation among areas is this: it is not sufficient merely to look for areas of similar size or general economic conditions. It is, however, necessary to investigate apparent differences, thoroughly trying to match high effective tax rates with the quantity and quality of services demanded and provided by local governments. Both the tax incidence (i.e., which sectors of the economy pay more or less) and the tax burden (i.e., how high or low the tax is) must be understood to completely recognize positive and negative effects and comprehend the implications of the comparison being conducted.

Finally, the assessment system responsible for developing the taxable values underlying the property tax system must be understood. During times of rapid increases or decreases in value, this aspect of the system becomes especially important to avoid misconstruing effects that may be counter-intuitive. Caps on assessed value changes and irregular reassessment cycles may preclude decreased taxable values despite economic indicators to the contrary. Similarly, budget-based systems that permit tax rates to increase may preclude loss of revenue for taxing authorities, despite lower assessed values.

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Definitions

Board of Review (Equalization)—(1) A public body (other than a court) having jurisdiction over one or more assessment districts, charged with the duty of examining the assessment roll or rolls, and empowered, on appeal or on its own initiative, to revise individual assessments (preferred). (2) Broadly, any such board or any board of appeals or board of equalization.

Equalization—Alteration by a government oversight body of property values previously determined for assessment purposes by the authority initially responsible for setting those values.

Payment in Lieu of Taxes (PILOT or PILT)—A program in which the Federal Government makes payments to state governments for nontaxed land owned by the Federal Government. Some states make payments in lieu of taxes to local governments where state-owned property is tax exempt.

Personal Property—Personal Property that has a substantial physical presence beyond merely representational. It differs from real property in its capacity to be relocated. Common examples of tangible personal property are automobiles, boats, and jewelry.

Real Property—Consists of the interests, benefits, and rights inherent in the ownership of land plus anything permanently attached to the land or legally defined as immovable; the bundle of rights with which ownership of real estate is endowed. To the extent that "real estate" commonly includes land and any permanent improvements, the two terms can be understood to have the same meaning. Also called "realty."

Tax Burden—Economic costs or losses resulting from the imposition of a tax. Burden can be determined only by detailed economic analysis of all economic changes resulting from the tax. In popular usage, the term often refers to the initial incidence rather than to ultimate economic costs.

Tax Incidence—The distribution of a tax on natural persons who bear the tax after the completion of the process of tax shifting, to be distinguished in particular from the distribution of the tax on the persons, natural or legal, who pay it in the first instance.

Tax Increment Financing (TIF)—The idea that property taxes, or other revenue, resulting from the increase in a tax base (e.g., property values or retail sales) in a specific area can be used to repay the costs of investment in that area. Funds may be invested in various programs, such as public infrastructure improvements or land write-down subsidies to private investors. Also known as enterprise zone.

Tax Rate—(1) The amount of tax stated in terms of a unit of the tax base, for example, 30 mills per dollar, 2 percent, 2 cents per gallon. (2) For the property tax, the percentage of assessed value at which each property is taxed in a given district. Distinguish between effective tax rate and nominal tax rate.

(President, continued from page 2)

Dave Fellers, FASAE, CAE, was retained by IAAO to assist in the development of this plan.

- A technical standards translation agreement with the Russian Board of Appraisers was reconsidered and postponed until January pending more information from the International Special Committee.
- An agreement was approved to allow the Korea Association of Property Appraisers to translate *Fundamentals of Mass Appraisal* for a flat fee of $5,000.
- A proposed revision to Bylaw 14.2 Use of IAAO Logo was approved.
- Revisions to the Procedural Rules as presented by the Planning & Rules Committee were approved.
- The Nominating Committee was asked to review procedural rule requirements for candidates to run for an Executive Board position and evaluate the committee's authority to select the best candidates.
- The Tennessee Association of Assessing Officers was approved as an IAAO affiliate member.
- The Member Recognition Committee was directed to conduct an in-depth review of the awards program.
- The Executive Board reviewed numerous proposed changes related to the 2013 budget and made a number of amendments.
  - The count for the President's Dinner at conference was reduced from 100 to 80 people.
  - The Executive Board conference lunch line item was removed.
  - $90,000 was added to the contingency fund.
  - The number of complimentary conference registrations made available to chapters and affiliates was increased from 20 to 50 when certain criteria are met and additional information is supplied.
  - International outreach consulting expenses were reduced from $20,000 to $5,000.
  - The fund for special committees was increased to fund an Infrastructure Review Special Committee and a Certificate of Excellence in Assessment Administration Special Committee.
- After approving these amendments to the 2013 budget it was approved.

Famous Arkansans

In 1936, James "Jimmy Driftwood" married Cleda Johnson. Jimmy penned more than 6,000 folk songs that were recorded by over 300 of his fellow musicians. The two had been married for 62 years when Jimmy died in 1998; he was 91 years old. Cleda passed away in 2004; she was 84 years old.

Jimmy began writing music to get his sixth-grade students interested in history. Cleda became a teacher in the small community where she had grown up just as Jimmy's musical talent was gaining national recognition.

Cleda liked the quiet life and the farm they homesteaded together. Cleda loved to recall stories of where they had dug their well, on the property, by hand, together, while Jimmy recollected his many travels all over the world and all the music halls he filled. They had a great relationship despite their opposing goals. Jimmy slipped right into the limelight of fame very easily, while Cleda had everything she dreamed of right in her own backyard.

Jimmy and Cleda confronted life's tragedies side by side. They faced every parent's nightmare, not once, but four times—Cleda gave birth to four children, but none of them saw their 30th birthday. Two of their children died of early childhood diseases, and the other two, some in the small community say, was a horrible family tragedy that will never be explained. Cleda walked home from the local school where she taught to find that both of her sons had been shot. There was no sign of forced entry, nothing taken but her two precious boys. The news of the tragedy traveled fast and Gov. Rockefeller sent his plane to Belgium to pick up Jimmy, who was traveling promoting Southern tourism.

Jimmy was a huge spokesman for the Southern states. Also, he opened what is now known as the Ozark Folk Center, which was eventually taken over by the Arkansas Department of Parks and Tourism and has welcomed thousands of visitors every year since opening in 1973. However, it was Cleda keeping the home fires burning and things running smoothly that Jimmy credits for his fame and fortune.

In the past couple of years, I have had the pleasure of traveling the world to seek one of my professional goals and dreams, but it was the people at home who made it all worthwhile. It was my children and grandchildren waiting for me when I returned from a trip who let me know how much I was missed and my staff at ACD who kept things running for me so I could do my presidential duties with IAAO. I encourage them to step out and achieve their goal, their dream, or their destiny, and I thank them for standing by my side to support me.

Wishing you all a happy holiday season.

Debra Asbury

Left photo (l to r), Columbia River Chapter President Suzanne Warman, Secretary Jason Bettles, Randy Walruff, Debbie Asbury and Lisa Daniels converse in front of the chapter's display area. Center, Lisa, Debbie, and Randy read F&E. Right, President Asbury addresses chapter members.

A Visit to Multnomah County, Oregon

President Asbury and Director Daniels visited with a large group of new IAAO members and others at the Multnomah County offices of Assessor Randy Walruff when they were in Portland, Oregon, November 1–3. They were participating in The Appraisal Foundation Board of Trustees Fall Meeting and were able to take time to visit.

The visit coincided with a quarterly meeting of the Columbia River Chapter of IAAO, so they were able to participate and see chapter activities firsthand.

The chapter officers are President Suzanne Warman, Vice-president Corey Henkelman, Secretary Jason Bettles, and Treasurer Linda McClain. The chapter is also home to two IAAO Representatives, Al Gaines and David Wallis.

Multnomah County Assessor Randy Walruff addresses attendees at the Columbia River Chapter meeting.

(l to r) Lisa Daniels, Debbie Asbury, Randy Walruff, and Corey Henkelman read F&E in Portland Oregon. Corey is the Columbia River Chapter vice-president and was responsible for coordinating the chapter meeting.

IAAO Conferences, Seminars, and Meetings

Event	Location	Dates
17th Annual GIS/CAMA Technologies Conference	Albuquerque, New Mexico	March 4–7, 2013
IAAO 79th Annual International Conference on Assessment Administration	Grand Rapids, Michigan	August 25–28, 2013
IAAO 80th Annual International Conference on Assessment Administration	Sacramento, California	August 24–27, 2014
IAAO 81st Annual International Conference on Assessment Administration	Indianapolis, Indiana	September 13–16, 2015
IAAO 82nd Annual International Conference on Assessment Administration	Tampa, Florida	August 28–31, 2016

Personal Property Discussion List—Software and Applications Issues

Q. William M. Long, Jr., Little Rock, Arkansas

I have a few questions dealing with the assessment of software, applications, operating systems, and so forth. Do you consider them exempt in your jurisdiction? If they are assessed, do you make adjustments if the software is included in the cost of the computer system? I am trying to determine whether there is a standard among states or we are all over the board on the issue. Also, if you have legislation on the subject, please include that in your response. Thank you for your help.

A. Mary Chris Belair, North Smithfield, Rhode Island

We exempt software in Rhode Island.

A. Connie R. Flippin, Independence, Missouri

In Jackson County, Missouri, we exempt software if it is purchased separately as an upgrade. If the software is included in the purchase of the operating system, then it is considered taxable.

A. Robert X. Johnson, San Antonio, Texas

In Texas, software is not taxable because the courts defined it an intangible. I tried to attach the court case, but can't. Send me your e-mail address directly, and I will provide the case. It is *Dallas Central Appraisal District v. Tech Data Corp.* 930 S.W.2d 119 (Tex. App. - Dallas 1996, writ denied).

A. Ellen E. Murphy, Winchester, Virginia

Virginia is the same as Texas, and it is considered intangible.

A. Brian Smith, East Hartford, Connecticut

In Connecticut, software is exempt if separately stated from the computer or purchased separately ("unbundled"). If software is purchased with the computer and not separately stated ("bundled"), then it can be assessed. See the Connecticut General Statute 12-71.

A. Kevin C. Myers, Las Vegas, Nevada

In Nevada, "custom software" is nontaxable, but the taxpayer must submit the details to the scope of how the software was created and developed. Also, it must be exclusive to in-house only users and not available to the public. See the attachment for more information [see original post on AssessorNET for attached document].

Was your question answered using AssessorNET?

Let us know and we will share the answer with IAAO members in *Fair & Equitable*. Send your question and the answers that helped you, to Kate Smith, at smith@iaao.org. Be sure to tell us how you used the information. All questions and answers are reprinted with the permission of the participants.

2013 Webinar Schedule

Title	Presenter	Date
Nursing & Senior Housing Valuation Techniques and Trends	Alan Plush	January 16, 2013
Preparing for the PPS Case Study Exam (free)	Kirk Boone, PPS	February 20, 2013
Valuation of Hospital & Surgical Centers	Alan Plush	March 20, 2013
The Face of Customer Service in the Assessment Office (free)	Tiffany Seward & Tina Morton	April 17, 2013
The State of the U.S. Real Estate Market	Peter Korpacz	May 15, 2013
Golf Course Valuation—Identifying and Isolating the Real Estate	Douglas Main	June 19, 2013
Condominium Assessment—Issues and Answers	Scott Winter, RES	July 17, 2013
Conference Content Webinar	—	TBD
Mass Appraisal: Valuation of Restaurants	Antonia "Toni" Viens	September 18, 2013
The State of the U.S. Real Estate Market	Peter Korpacz	October 16, 2013
Subsidized Housing—Valuation Options May Seem Closer Than They Appear	Brad Eldridge & Kevin Bradshaw, CAE	November 20, 2013
The Appraisal of Retail Inventory	Robert Johnson, PPS	December 18, 2013

IAAO On-Demand Webinars

Webinars for Purchase

Cash Modeling in an Accrual World
John Ryder, Ed Beisner, and David Provost, recorded October 17, 2012

Double-Header: Cell Tower Valuation
Walt Woodward and Randy Scott

Intangibles in Commercial Properties
Mark T. Kenney, recorded September 11, 2012

Foreclosure Sales and the Mass Appraisal Process
Scott Winter, RES, recorded July 18, 2012

The State of the U.S. Real Estate Market Update
Peter Korpacz, recorded May 16, 2012

It's Time for a Roundup—The Appeals Have Stampeded!
David Boisvert, recorded March 21, 2012

The Good, the Bad, and the Ugly of Assessment Policies and Practices
Steve Van Sant and Alan Dornfest, AAS, recorded February 15, 2012

The Role of the Valuation Witness
Greg Lafakis, Esq., CAE and Ellen Berkshire, Esq., recorded 12/14/2011

Korpacz on Real Estate Market Trends 2011
Peter Korpacz, recorded 11/16/2011

The Valuation of Mall Department Stores
Greg Lafakis, Esq., CAE and Joseph Ryan, recorded 10/19/2011

Shake up in the 2011 Real Estate Market
Tim Sullivan, recorded 8/17/2011

Quarterly Market Update
Peter Korpacz, recorded 5/18/2011

The Valuation of Skilled Nursing Facilities
Kevin Bradshaw, CAE, recorded 3/23/2011

Bringing Market Trend Data to the Local Level
Peter Korpacz, recorded 2/16/2011

Complex Property Valuation—Hotels and Drugstores
Tim Wilmath and Ken Engel, RES, recorded 12/15/2010

Quarterly Market Update
Peter Korpacz, recorded 11/17/2010

Free Webinars

The History of Mapping
Richard Norejko, CMS, recorded June 20, 2012

Doing More With Less: Improving the Effectiveness and Efficiency of an Assessment Jurisdiction
Rob Turner, recorded April 18, 2012

Train The Brain: Creating Sustainable & Affordable Online Training in the Assessment Office
Tina Morton & Tiffany Seward, recorded January 18, 2012

Member Benefits—IAAO Membership is Not for Cowards
Larry Clark, CAE; Mary Odom; Robin Parrish; and Aaron Weatherford

Using Excel to Select and Display Comparable Sales
Larry Clark, CAE, recorded 6/29/2011

Customer Service is Priority #1
Richard Petree, recorded 1/19/2011

Electronic Payment Processing
Betsy Price, recorded 9/22/2010

Visit www.iaao.org online Marketplace. CEU credits are not granted for recorded Webinars.
Free Webinars are available for download at www.iaao.org under Webinars/Past Webinars

Fee or Tax?

A city's monthly charge for storm water drainage services based on lot size was a regulatory fee and not an unconstitutional tax on real property as certain property owners had claimed. The ruling by a Washington state appellate court affirms a jury verdict upholding the fee at the trial court level.

The city at the center of the controversy is located on a partially landfilled peninsula bordering the Pacific Ocean. Because of the nature of the soil and its low elevation, the area has a propensity for flooding during rainstorms. To alleviate this problem, a municipal storm water drainage system was constructed consisting of roadside ditches that empty into a network of canals and artificial lakes. To operate the system, the city created a separate storm water utility. The utility is responsible for maintaining the system infrastructure and responding to residents' requests for service for such issues as clogged ditches and standing water. To fund these services, the utility charges property owners a monthly fee calculated on the square footage of their lot. The monies collected are put into a separate account that funds the utility's services.

According to Washington case law, there are three criteria that distinguish a fee from a tax. First, a fee must raise money for a regulatory purpose, provide a specific benefit, or mitigate a burden caused. Second, a fee must be spent only for the purpose for which it was collected. Third, there must be a direct relationship between the fee charged and the service received or the burden created by those who pay the fee. A tax, on the other hand, "raises revenue for the general public welfare," the court said.

The court found the drainage charge met all three criteria for a fee. First, the charge was used for a regulatory purpose. As stated in the enabling ordinance, the purpose of the utility was the "regulation of storm and surface water … to adequately protect the public health, safety, and welfare of City residents and property owners." Second, revenues collected from the drainage charge were placed in an account separate from other city funds. This account was only used to pay expenses incurred by the storm water utility. Third, the owners of all lots received a direct benefit from the drainage system. Not only did the drainage system help to prevent flooding of individual lots during rainstorms, but it also helped to lower the water table to maintain road access and the usability of all lots. In addition, property owners could turn to the utility to seek remediation of specific drainage issues.

The court further stated that the charge did not need to be based on the amount of services rendered to qualify as a fee. Nor did each property owner need to benefit in direct proportion to the amount paid. "[O]nly a *practical* basis for the rates is required," the court said, "not mathematical precision." To elaborate on its thinking, the court continued: "Rainfall falls uniformly; both developed and undeveloped property contribute water from rainfall into the system; and the larger the lot size, the greater its water contribution to the system."

Because it found the storm water charge to be a fee and not a tax, the court said it did not need to rule on the constitutionality of such a charge under the state constitution's tax uniformity requirement.

(*Banks v. City of Ocean Shores*, Washington Court of Appeals, Division 2, No. 42587-4-II, August 8, 2012)

Public-Private Partnerships

Housing on Kansas military bases that was built or renovated for rental by private developers as part of the Department of Defense's Military Housing Privatization Initiative (United States Code, title 10, section 2871) is now exempt from real property taxation. The exemption is effective retroactive to the 2011 tax year. (Kansas Legislature, 2012 session, HB 2769)

Agricultural Use

The Arizona legislature has added algae cultivation to the list of uses eligible for agricultural land assessment. An algaculture operation must cover at least five acres to qualify. (2012 AZ H 2226)

Recognizing 60 years of professional designations

Future of the Certified Assessment Evaluator

Larry Clark, CAE

As the anniversary year of the CAE designation draws to a close, it's time to look to the future. What are our plans? Where do we go from here? Will the designation change over time and how?

I don't know the specifics, but I can identify some trends.

First, requirements to achieve the designation will probably change over time. Several changes have been made since the designation was adopted, so it's no great leap to assume there will be others in the future. Many of the changes will probably be precipitated by international considerations. In many parts of the world, assessment professionals have attained college degrees and other professional credentials prior to entering the field. In the United States the profession is just beginning to require college degrees, though there does not seem to be a preference for a particular major area of study. That lack of a specific direction could change; for example, some colleges are offering more real estate education.

The unique niche of IAAO in the appraisal world is mass appraisal. Yet, the most popular courses are essentially basic appraisal courses, and the requirements for the CAE rely, by and large, on single-property approaches. It is certainly true that basic appraisal principles apply whether the assignment involves one parcel or 10,000.

However, one problem with the CAE and other IAAO designations is a lack of recognition and acceptance by the general public. I believe part of that flows from the fact that the requirements for attaining the CAE do not differ significantly from those for other real estate appraisal designations. Because IAAO's requirements have been lumped together with other appraisal designations, they have also suffered from the introduction of appraisal licenses. I don't believe IAAO can expect to boost the recognition and acceptance of its designations unless and until it differentiates itself from other appraisal organizations. We should leverage our niche in mass appraisal to distinguish our designations.

Finally, the area of continuing education is ripe for change. I received my CAE designation nearly 30 years ago. The basic economic principles of supply and demand, substitution, contribution, and so on have not changed. How they are applied in the marketplace and, more importantly, how they are tracked by appraisers have changed dramatically. When I began my career in a small county in southeast Kansas, that county didn't have a computer. Clerical staff spent several weeks typing the assessment roll. I pasted photographs into my demonstration appraisal reports along with state highway maps. My floor plan was hand-drawn.

What worked for that jurisdiction then is not guaranteed to work now or in the future. No one would suggest a one-size-fits-all approach to meeting the current demands of running an assessment office. Who decides? Someone has to. And what tools will be used to make those decisions? What knowledge of current processes and tools will be required to make those decisions, and from the standpoint of IAAO, where will that knowledge come from? Expressing the view that everyone has to make their own decision based on their own circumstances presupposes that someone somewhere is equipping them with the tools for making those decisions. My concerns are whether continuing education requirements should be specifically directed toward maintaining the currency of a designee's knowledge. Should IAAO's education programs be directed toward the latest and best practices, and more importantly, should designees be required to continually demonstrate their grasp of them? I believe the solution lies in a continually evolving education program.

The future of the CAE designation rests directly on the shoulders of IAAO members. Active committee members working with elected board members will position the CAE as the premier mass appraisal designation. We owe a debt of gratitude to all those former designees who worked hard to make the CAE designation what it is today. Part of that debt is repaid when we work to strengthen it even further for the future.

All those who responded to the "What's Your Number?" campaign were entered into a random drawing for a copy of the Fundamentals of Mass Appraisal *textbook. The drawing took place October 31, 2012, and the winner is Stephen Behrenbrinker, CAE, Assessor for the City of St Cloud, Minnesota. Stephen submitted his information on January 17. Congratulations Stephen!*

What's Your Number?

We want to take advantage of this anniversary year to make sure our designation records are accurate and complete.

If you currently hold an IAAO designation, please send:

- your name
- the date on your designation certificate, and
- the number of that certificate

to Larry Clark, CAE, Director of Professional Development. You can send the information by e-mail to clark@iaao.org or in a letter to:

Larry Clark
314 W 10th Street
Kansas City, Missouri 64105-1616

In addition, we would be interested in hearing more about your reasons for seeking a designation. Send your story to IAAO, attention Larry Clark, CAE. Stories may be published in future issues of *Fair & Equitable*.

CALL FOR ARTICLES

- Economic downturn
- Effects of foreclosures on market value
- Parcel data standards
- Burden of proof
- Legislative reporting
- Valuation of green buildings & systems
- Valuation of Ag properties
- Tax policy
- Tax collection
- Legal perspectives
- Valuation methodology
- International development
- Commercial/specialized assessment workflows
- Computer appraisal systems
- Valuation of utilities
- Economies of scale/streamlining
- Highest & best use
- Special assessments
- Public relations
- Applying new technology
- Public relations
- Data collection
- Expert Witness Preparation

For more information contact Chris Bennett, bennett@iaao.org

CALENDAR OF EVENTS

LOCAL • REGIONAL • INTERNATIONAL

Northeastern Regional Association of Assessing Officers
2013 Spring Conference
April 28–May 1, 2013
Newport, Rhode Island
www.nraao.org

Connecticut Association of Assessing Officers
Annual Spring Meeting
May 9, 2013
Southington, Connecticut
www.caao.com

North Central Regional Association of Assessing Officers
Annual Conference
June 16–20, 2013
Fargo, North Dakota
www.ncraao.org

Texas Association of Assessing Officers
Annual TAAO & ICTA Conference
August 25–27, 2013
Bastrop, Texas
http://vaao.org/conference-seminar

Submit local event information with event name, date, place, and contact information to bennett@iaao.org.

Ten Jurisdictions Celebrate CEAA at Conference

Mary Odom, MLS

The IAAO Certificate of Excellence in Assessment Administration (CEAA) recognizes jurisdictions that utilize best appraisal and assessment practices in their offices. Because the program is directed at an entire jurisdiction rather than an individual, the requirements place a strong emphasis on teamwork and group achievement. Jurisdictions that earn this designation have demonstrated a high level of proficiency in the assessment disciplines to both their constituents and their peers.

Leon County, Florida, Property Appraiser's Office is the 11th jurisdiction to earn the certificate since the inception of the program, and the 8th jurisdiction in Florida to earn the certificate. The office was already undergoing realignment in response to market changes and simultaneously preparing for a new CAMA system. What better opportunity to conduct an evaluation of office processes than to enter the CEAA program?

Leon County's advice to others is to identify the key person in the office for each chapter topic and give them 30–60 days to rough in responses to the submission. Those rough responses can be polished by one person assigned to compile the overall submission. This approach took approximately one year to complete the entire submission.

Their greatest benefits were the boosted pride of the staff from the successful process and the recognition from their peers at the annual conference. An added benefit is that the self-evaluation helps to identify office processes that need changes, and management staff can implement them as needed.

Leon County: Debra Asbury, Connie Ziegler, Doug Will, AAS

Orange County, Florida, Property Appraiser's Office has contributed to the state's overwhelming lead in the number of certified jurisdictions. The office has already undertaken a self-review to root out "institutionalized" processes that were not required by law and could thus provide budgetary savings. The CEAA program provided the formal structure for an agency-wide review of internal practices and procedures.

The certificate offers confirmation to the citizens of Orange County and the public at large of professionalism and best practices. For any interested jurisdiction, take the project very seriously by setting a goal to learn from it and be a better agency because of the process.

Orange County: Debra Asbury, Michael Prestridge, Roger Ross

El Paso, Texas, Central Appraisal District (EPCAD) had just completed a comprehensive audit and exceeded in all categories. The CEAA designation would confirm internationally this level of excellence while also being an opportunity to help identify opportunities to improve. It would further serve to demonstrate a continued commitment in gaining public trust. The Texas Property Tax Division's direction of applying all IAAO standards as a matter of law or rule in the near future was further motivation to proceed toward the CEAA.

The process began when Dinah Kilgore, Executive Director/Chief Appraiser, attended the 2011 IAAO conference in Phoenix. After meeting with recipients of the CEAA, her excitement for this designation was passed on to her management staff. That excitement grew, and the staff was able to complete the process and submit all documentation by April 2012. Kilgore would like to take this opportunity to express her thanks to her entire staff of 140.

For EPCAD, it was a confirmation of the level of dedication to superior performances and service to the public that meant the most. It sent a positive message to the Board of Directors and citizens that EPCAD is committed to a very high level of performance and adherence to the high standards of assessment administration. Another benefit is the power of recognition of employees. They see that their efforts and hard work are being noticed by their peers in this business. They can also see they are bringing a positive spin to a negative subject (taxes) to their community. This in turn is giving them the drive and excitement to continue to excel and lead into the future.

EPCAD's advice for being successful is to plan, plan, and plan. The following are a few recommendations:

- Give yourself plenty of time.
- Get a copy of *Assessment Practices Self-Evaluation Guide* and review it before taking on the submission for the CEAA. This will help in identifying strengths and weaknesses.
- Set up a committee to keep track of timetables and chapter completions.
- Pair the strongest writers with technical people to create the responses in the most complete and concise manner.
- Where multiple departments have input to a response, have them formulate the answer in committee and then add data that apply only to their individual department.
- Have one lead writer who will compile all entries/chapters into a presentable document for review by the committee.

EPCAD invites more jurisdictions from Texas and around the world to enter the program because the more jurisdictions that succeed, the more prestige is gained for all certificate recipients. A rising tide raises all ships.

El Paso CAD: James Thompson, Eileen Moore, Reymundo Sepulveda, Debra Asbury, Dinah Kilgore, Albert Molina, David Stone, and Rick Medina

Taylor Central Appraisal District in Texas is the first jurisdiction in that state to earn the certificate. It was a long road for Taylor CAD, spanning a two-year time frame due to the challenges of workloads and rigor of the program. The district advises others to enter the program early and not wait until the spring to get started. Writing the submission takes a coordinated effort of many staff members over several months, and the grading process can also take a couple of months. The grading must be completed by the time the Executive Board meets in July for the jurisdiction to receive the certificate at the annual conference.

Taylor CAD boasts of using the certificate as a tool to train new employees and to give all employees a better understanding of processes. The icing on the cake is the message to the general public that the district is professional and recognized by the leading assessment organization for its best practices.

Taylor CAD: Gary Earnest, Rhonda Graves, Debra Asbury, David Copeland, Yvonne Batts, Kent LeFevre, and Richard Petree

Davidson County, Tennessee, Assessor's Office is the first jurisdiction in that state to earn the CEAA. The office initially entered the program because it recognized that having the IAAO, the preeminent authority on assessment administration, independently and objectively determine that it is meeting standards and best practices in the appraisal profession will enhance the public trust. Nineteen staff members were directly involved with writing the submission, a process that took precisely 358 days from start to finish. In retrospect, Davidson County said it would have applied sooner for the program to get an earlier start.

The most valuable thing Davidson County learned about its jurisdiction is that assessment administration, in all its facets, must be, at its core, about providing high-quality service to the taxpayers and property owners of the county. Staff members recommend focusing on organization on the front end of the project because it is a significant and

Davidson County: Jimmy Clary, David Diaz-Barriga, Debra Asbury, George Rooker, Sam McPherson

complex undertaking and not to procrastinate so as to meet the one-year deadline.

Sarasota County, Florida, Property Appraiser's Office is the tenth jurisdiction from the state of Florida to earn the CEAA. It recently underwent many procedural changes in the office that have resulted in a high-quality work product and improved taxpayer service. To quantify progress, the office wanted to analyze all the processes to identify strengths and weaknesses, and the CEAA is a very comprehensive evaluation tool with a vast amount of information required for the submission.

The process took about seven months, during which Sarasota County found a deeper appreciation and understanding of the expertise and knowledge held and shared by the members of the staff team. Staff members also learned that it is important to self-assess to implement best practices and ensure that the agency stays on top of industry standards. To interested jurisdictions, Sarasota recommends using the mentor early and developing strong top-to-bottom commitment among the staff.

Sarasota County: Richard Horn, Mariale Ryff, Katherine Reardon, Debra Asbury, Bill Furst, Brian Loughrey, and Jim Ashburn, CAE

Ada County, Idaho, Assessor's Office is the first jurisdiction in that state to earn the CEAA. Ada wanted an independent evaluation to benchmark processes against industry best practices. Over the years, it has taken several steps to evaluate operations to ensure the highest level of service. But the achievement of the CEAA provides the independent validation that the office is meeting or exceeding industry standards and continually enhancing service.

The evaluation process brought attention to some areas of weakness that allowed staff members to improve upon procedures and yielded the greatest benefit to the jurisdiction. Employees who are typically focused on their own areas of responsibility had the opportunity to work with management on the evaluation, which produced a greater level of understanding by everyone. The culmination of this project has made the Ada County Assessor's Office a better place to work as well as raised the level of service provided to stakeholders.

Ada County: Mark Southard, Shelby Ugarriza, Debra Asbury, Robert McQuade, Diana Kelly, Carrie Sandirk, and Iana Johnson

Washington County, Arkansas, Assessor's Office is the first jurisdiction in that state to earn the CEAA. President Debra Asbury was pleased that a jurisdiction from her state succeeded in the program during her presidency and hopes that other will follow in their footsteps. Washington County wanted to participate primarily to find ways to improve services to the citizens of the county. Besides making the decision to enter the program, the most difficult part of the process was sorting though the mountain of data, deciding what was relevant and to what degree.

Washington County had 6 primary contributors with input from 8 other staff members over an 8-month period requiring nearly 1,800 hours of work on the submission. The major change they would have made in retrospect was to have one author write the entire submission. They assigned individual chapters to team members based upon their areas

of expertise, and this was a good idea for the context of the question, but due to different writing styles this created a choppy look and read. Eventually, one author was assigned and thus created a much more professional document.

Their best advice for interested jurisdictions is to take your time, establish a well-defined structure for the project, have only one writer but multiple reviewers, and remember that you can never contact your mentor enough. The sense of teamwork that came out of this project made the whole undertaking worth the effort. The staff had to work together as never before, and this built cohesiveness that would have been impossible to achieve otherwise.

Washington County: Dietrich Bengs, William Stephenson, Sita Nanthavong, Debra Asbury, Jeff Williams, Jenny Weir, Rebecca Carmine, Lea Rochester

The City of Alexandria, Virginia, Department of Real Estate Assessments is the 19th jurisdiction to receive the certificate since the inception of the program in 2004. The department completed the grueling process of self-evaluation and submitted the final project for grading in just four short months. The greatest benefit to Alexandria was the rigorous process itself, which involved a high level of objectivity and teamwork. Staff members gained knowledge of both the areas in which they excelled and the areas in which improvement was needed.

City of Alexandria: Debra Asbury, Bryan Page, RES and Timothy Francis

Seminole County, Florida, Property Appraiser's Office recertified its CEAA, which was originally earned in 2005 when they were the second jurisdiction to become certified. The office recommends that all certified jurisdictions review the requirements for recertification as soon as the CEAA is earned to track employees' education, legislative changes, and major operation changes over the next five years. This will make the recertification process much easier when the time comes. The recertification process involves submitting four chapters of the jurisdiction's choosing, a summary of legislative changes, and a summary of employee continuing education.

Seminole County: Debra Asbury, David Johnson and Alice Weinberg

IAAO is the preeminent authority on assessment administration, and the CEAA is the highest professional honor an assessment jurisdiction can obtain. The vision of IAAO is that there will be at least one award winner in every state and province. More than ever, IAAO is encouraging its members to integrate best practices into the workplace. The examples set by these offices should inspire others to pursue a documented program of excellence in assessment administration.

Is your organization ready to be recognized as one of the best? Find out how to get started at www.iaao.org/sitePages.cfm?Page=69, or send your questions to excellence@iaao.org.

Mary Odom, MLS, is the IAAO Director of Library Services and also serves as the staff liaison to the Research Committee.

Member Anniversaries • December

5 Years

Kyle Avila, Town of Mount Desert, Northeast Harbor, ME
Margate City, NJ
Ray L. Bell, Maricopa County Assessor's Office, Phoenix, AZ
C. Gayle Benhase, Culpeper County, Culpeper, VA
Kim Benson, Masco Corporation, Taylor, MI
Susan K. Bovan, City of Marquette, Marquette, MI
Jill Brennan, City of Newburyport, Newburyport, MA
Mary F. Chandler, Washington County Assessor's Office, Fayetteville, AR
Melissa L. Couture, Town of South Hadley, South Hadley, MA
Maurice L. Cox, Marion County, Indianapolis, IN
Jennifer M. Dowe, Borough of Avalon, Avalon, NJ
Brenda A. Dudley, Marion County, Indianapolis, IN
Keith D. Fasanella, Township of South Brunswick, Monmouth Junction, NJ
Julio C. Figueroa, North Andover, North Andover, MA
Kari R. Fleisher, Tillamook County, Tillamook, OR
James A. Forbus, Pima County Assessor's Office, Tucson, AZ
Paul Fracassi, City of West Fargo, West Fargo, ND
Stanley Iwanicki, City of Chicopee Board of Assessors, Chicopee, MA
Donna H. Keyes, Texas Mass Appraisal Software Solutions, Lexington, TX
Dinah L. Kilgore, El Paso Central Appraisal District, El Paso, TX
Debbie H. Kosek, City of Newport News, Newport News, VA
Patrick Leveille, Town of Southington, Southington, CT
Shane Marcuson, City of West Fargo, West Fargo, ND
Phillip A. Mobley, Clay County, Manchester, KY
Jim Pease, City of Hart, Hart, MI
Laura S. Pope, McDonald County, Pineville, MO
Thomas E. Ruhl, Ralls County, New London, MO
Brenda Setelin, Hanover County, Hanover, VA
Mitchell H. Shaffer, Wyandotte County Appraiser's Office, Kansas City, KS
Mohamed H. Shariff, Lake County Property Appraiser's Office, Tavares, FL
Linda G. Sibley, Jones County Tax Assessor's Office, Gray, GA
Joseph Sidney Vela, Jim Wells County Appraisal District, Alice, TX
Nancy Von Meyer, PhD, Fairview Industries, Pendleton, SC

10 Years

Neil Bray, State Valuation Service, Brisbane, QLD, Australia
Peter F. Hann, LG Valuations Pty Ltd, Kyabram, VIC, Australia
Richard Lorentzen, Middlesex County Board Taxation, New Brunswick, NJ
Robert Marsh, City of Melbourne, Romsey, VIC, Australia
Debbie L. Mason, City of Sun Prairie, Sun Prairie, WI
Scott C. Palecki, Foulston Siefkin LLP, Wichita, KS
Lawrence L. Patin, St Martin Parish, St. Martinville, LA
Jeffrey A. Storie, RES, Wyandotte County Appraiser's Office, Kansas City, KS
Richard A. Vincent, City of Lebanon N.H., Lebanon, NH
Donald E. Wells, Town of Parma, Hilton, NY
James Young, Grota Appraisals LLC, Sun Prairie, WI

15 Years

Thomas C. Anderson, Kenai Peninsula Borough, Soldotna, AK
Kevin D. Chestnut, Thomson Reuters, Indianapolis, IN
Ronda Clanton, Bedford County, Shelbyville, TN
Stan R. Dilworth, City of Lethbridge, Lethbridge, AB, Canada
Elizabeth J Fournier, Town of Richmond, Wyoming, RI
Linda L Fraley, Clermont County Auditor, Batavia, OH
Cathy Hokit, Stephens County, Duncan, OK
Andrew G. LeMay, Real Estate Consultants of New England, Inc., Concord, NH
Treena M. Malishewski, CAE, Strathcona County, Sherwood Park, AB, Canada
D J McMurray, Pratt County, Pratt, KS
Jeffrey B. Phillips, Integrity Tax Consulting, Fort Wayne, IN
Walter M. Schlichting, Tuscola County, Caro, MI
Justin K. Seto, RES, Saskatchewan Assessment Management Agency, Regina, SK, Canada
John P. Vanderah, Ad Valorem Tax, Inc, Rolling Meadows, IL
Jay L. Vanderwaals, Interfin Nederland, Netherlands, Netherlands

20 Years

Richard Bacon, Richards, Layton, & Finger, Wilmington, DE
David W Bolton, City of Charlottesville Assessor's Office, Scottsville, VA
Barry J. Feig, City of Marshfield, Marshfield, WI
Kathy F. Fitzgerald, City of Salem, Salem, VA
Gary William Fritz, CAE, Du Page County, Wheaton, IL
Marietta A. Green, Mohave County, Kingman, AZ
Marc B. Johnson, Utah State Tax Commission, Salt Lake City, UT
Michael L Krening, Morgan County, Fort Morgan, CO
Robert S. McGill, CMS, Giles County, Pulaski, TN
Steven A. Miner, City of Wauwatosa, Wauwatosa, WI

25 Years

Joseph Berrios, Cook County Assessor's Office, Chicago, IL
Cathleen Donovan, Town of Brunswick, Brunswick, ME
Susan E. Moore, Town of Andover, Andover, MA
Kathy S. Sands, Woodbury County Assessor, Sioux City, IA

30 Years

Barbara W. Custis, Henrico County Assessment Division, Henrico, VA
Sammy L Howell, CAE, Memphis, TN
Steven L Lueker, Jefferson County, Mt Vernon, IL
George Rivera, Los Angeles County, South El Monte, CA
Thomas W. Vitz, City of Virginia Beach, Real Estate Assessor's Office, Virginia Beach, VA

35 Years

Robert D Byrne, Robert D Byrne & Associates, San Dimas, CA
Bruce C. Webb, CAE, Cheyenne County, Kansas, Osborne, KS
Malek G. Youssef, Snohomish, WA

International Association of Assessing Officers
79th Annual International Conference on Assessment Administration
August 25–28, 2013 • DeVos Place • Grand Rapids, Michigan

Navigating the Rapids in Turbulent Times: A Grand Vision

2013 Annual Conference Call for Presentations
Deadline for Submission: January 29, 2013

Changes have been made to the presentation submission procedures for the 2013 conference. The Conference Content Committee requests that submitters read this information carefully.

Selection Process

Submit potential educational session presentations using the online form by Tuesday, January 29, 2013. Submissions will be reviewed by the IAAO Conference Content Committee. Submitters will be notified of their status by March 1.

Session Description Development

Submitters are required to provide a short, specific, title; an accurate two- to four-sentence description; and a fully developed abstract. It is suggested that submitters first develop the information in a word processing program then cut and paste it into the form.

Presenter Expectations

Presenters are expected to meet posted deadlines. IAAO reserves the right to make adjustments to any session that does not meet these deadlines.

Deadlines

- **May 1, 2013**: Submit the signed proceedings release and biographical information.
- **August 1, 2013**: Submit the fully developed presentation and accompanying paper or narrative.
- **August 1, 2013:** Register for the conference.

Presenters must use a PowerPoint slide template provided by IAAO. Use of a minimum 18-point font is strongly encouraged. A narrative aligned with the slide presentation or a related paper is required.

Presentations submitted by vendors and suppliers must include a jurisdictional representative as a copresenter. Presentations must focus on educating the audience rather than trying to sell a product or service. Presentations cannot be sales pitches or commercials.

New in 2013—conference attendees will be provided with the conference proceedings upon arrival at the conference. The proceedings will contain presentations received as of August 1. A separate post-conference proceedings is not planned**. Presentations must be received by August 1 to be included.**

All presenters are expected to register for the conference and complete a registration form. Conference materials including badges are only provided to registered attendees. The early-bird registration rate applies until August 1. Indicate **"speaker"** on the registration form. If a presenter plans to participate in their own session only, the registration form is still required. Note **"my presentation attendance only"** on the form before submitting.

Submission of a presentation for consideration implies availability to attend conference.

Educational Tracks

The Conference Content Committee has defined the following educational tracks:

- **Commercial: Real and Personal Property**
- **Technology**
- **Residential Focus**
- **Management and Personal Development**
- **Tax Policy and Administration**
- **Special Issues**.

Tracks are based on requests from the conference survey and research inquiries to the IAAO Library. Please review the track descriptions and potential topics at www.iaao.org/sitePages.cfm?Page=485. Submission of presentations in other content areas is also encouraged.

For questions, contact Conference Content Committee staff liaison Leann Ritter at ritter@iaao.org or 816-701-8161.

Submit presentations at www.iaao.org

Educational Tracks

Commercial: Real & Personal Property

Submissions in this category will address a variety of valuation issues such as restaurants, hotels, department stores, low-income housing tax credit properties, personal property issues, distinguishing between real and personal property, as well as unique valuation problems. Topics may include, but are not limited to:

- Capitalization rate development
- Foreclosures
- Dodd Frank Legislation
- Big box valuation
- Conservation easements
- Highest and best use issues
- Depreciation analysis
- Personal property valuation issues
- Trends in the courts and legislatures

Technology

Submissions in this category will focus on the benefits and challenges of the latest technologies available to assessing offices, including methods to improve field inspections, mass appraisal, mapping, and general assessment administration. This track may include demonstrations and discussions of the uses of technology in areas such as:

- Use of open source software
- Mobile technology for assessors including Tablet, iPAD, etc.
- Social media
- Data verification by "cyber appraisers" using internet and technology tools
- The Cloud
- Change detection
- Sketching
- Technology for small offices
- CAMA and GIS development and applications
- Mapping

Residential Focus

Submissions in this track will focus on a variety of residential appraisal issues such as foreclosures, housing starts, and current market trends in both residential and agricultural properties. Topics in this track may include, but are not limited to:

- Use of foreclosed properties in market studies
- Partially developed subdivision/condominium foreclosures
- Appeals
- Reappraisal from the field to the final value
- Green building trends
- Assessment of time shares and recreational properties
- Valuing high-end housing
- Convertible rights in condominium developments
- Agricultural valuation challenges

Management & Personal Development

Submissions in this track will focus on demonstrating methods to enhance management of assessment offices and processes to become effective and efficient. Personal development submissions will focus on techniques that encourage personnel to reach their personal goals and grow as productive employees. Topics in this track include, but are not limited to:

- Tracking office production to reach goals
- Practical leadership techniques
- Communication skills
- Implementing new processes
- Time management
- Negotiations
- Public relations
- Doing more with less
- Office dynamics

Tax Policy & Administration

Submissions in this track address tax policy issues and mass appraisal standards that impact the assessment profession and property owners. Evolving international tax policy trends, property tax initiatives, and economic development strategies will be emphasized. Topics will include, but are not limited to:

- Public financing and payments in lieu of taxes
- Complex and special purpose properties
- Real property fixtures? Or personal property?
- How taxes impact valuation in the business climate
- USPAP topics
- Oil and gas appraisal
- Correlating business audits with commercial real estate values
- Exemptions: Personal property?
- Ratio studies
- International tax policy initiatives

Special Issues

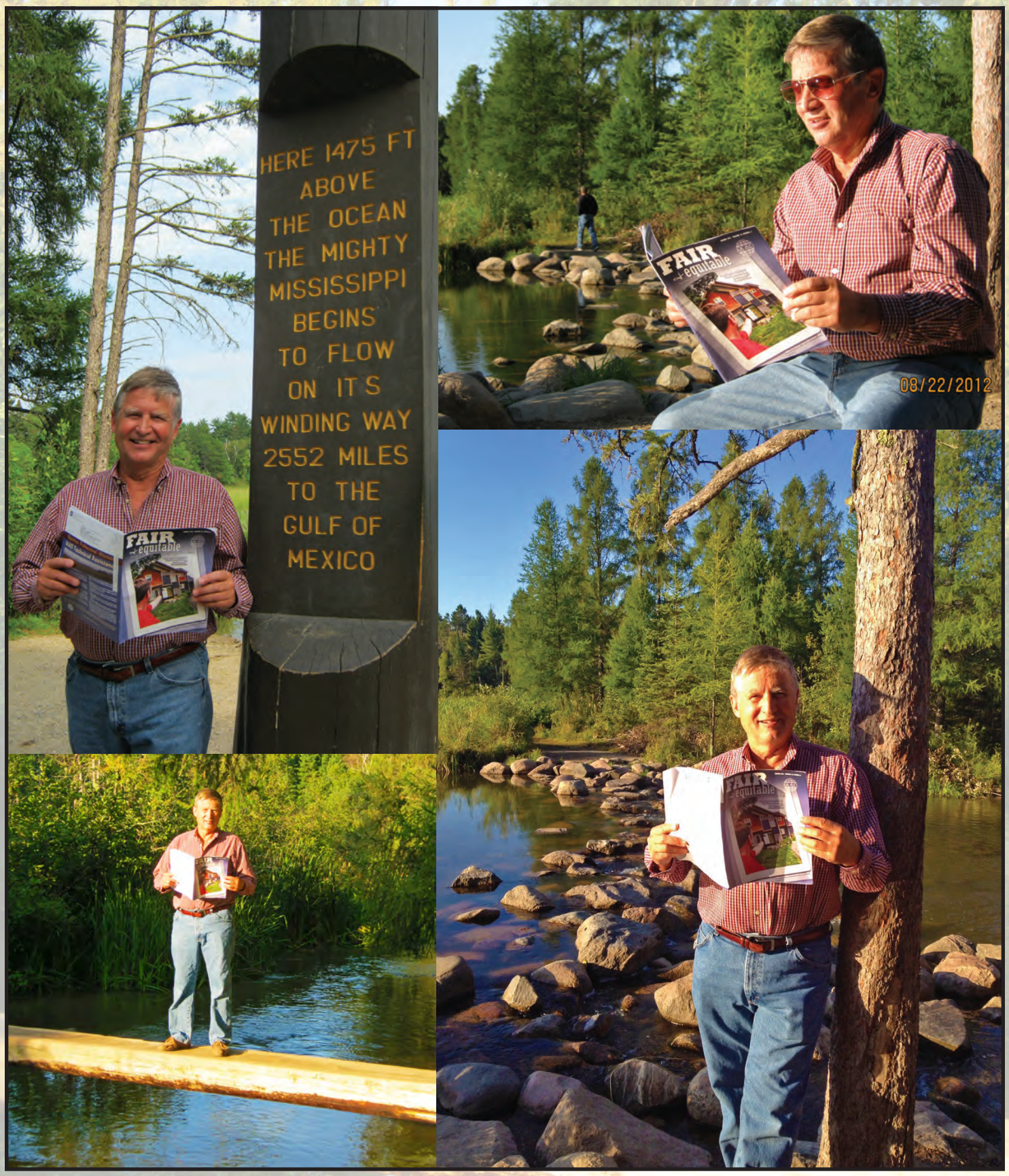
Submission in this track will focus on a wide variety of unique topics that are important to the needs of assessment professionals. Examples of special issue topics may include, but are not limited to:

- Windmills and wind farms
- Airport facilities
- Local specific issues
- Vacation resorts
- Landfills: hazardous or sanitary
- Military housing
- Cable television
- Valuation of marinas
- Casino valuations
- Natural disasters
- Value of watershed, forest land, reservoirs, conservation easements
- Intergovernmental collaboration
- Defense of assessments and courtroom performance

Submit presentations at www.iaao.org

? Where Do You Read FAIR & equitable?

IAAO accepts digital photos of interesting or unusual places, for "Where Do You Read F&E?," and photos of local jurisdiction activities and meetings. Please provide full contact information with your submission. Send photos to bennett@iaao.org.



Ramsey County (Minnesota) Assessor Stephen Baker, CAE, SAMA, reads F&E at the headwaters of the Mississippi River in Itasca State Park, Clearwater, Minnesota. It is the only place where a person can cross the Mighty Mississippi on a single-log bridge. At right, Steve reads F&E at the transition between Lake Itasca and the river. Itasca is Minnesota's oldest state park. Its 32,000 acres of parkland include more than 100 lakes and a 2,000-acre Wilderness Sanctuary.

Exemptions at Risk

Home sale tax exemption could be on block
(published November 1, 2012)
by Kenneth R. Harney, Telegram.com

Article discusses planned negotiations by Obama's deficit reduction commission to find ways to reduce the national debt. One possible action would be to remove real estate write-offs, including exemptions from taxation of capital gains on the sale of homes. The big question is who pays for the reduction in national debt?

For more information, go to:
http://www.telegram.com/article/20121101/COLUMN69/121039953/1002/business

Property Tax Transparency

Property tax cap
(published October 29, 2012)
by Evan Bedard, Hutchison News

Opinion article discusses a proposed property tax transparency law in Kansas that would require local governments to adjust the mill rate to offset increases in assessed market value or publicly indicate that they are collecting a windfall due to increases in property values.

For more information, go to:
http://www.loansafe.org/property-tax-cap

International

Hong Kong announces property tax for foreigners
(published October 30, 2012)
by Justin Harper

Article discusses the introduction of a 15 percent tax on real estate purchase for non-Hong Kong permanent residents and companies. Also implemented was a stamp duty on real estate sales that is higher for short-term speculators and decreases the longer the property is held.

For more information, go to:
http://www.telegraph.co.uk/finance/personalfinance/offshorefinance/9642723/Hong-Kong-announces-property-tax-for-foreigners.html

No property tax, no water, warns corporation
(published October 30, 2012)
by Pratiksha Ramkumar, The Times of India

Article discusses a request to the government of India by the Corporation of Chennai to cut water and power to properties that are delinquent in tax payments. The proposed punitive measure is in response to widespread lack of compliance, with only 40% of property owners in the city of Chennai paying owed property tax.

For more information, go to:
http://articles.timesofindia.indiatimes.com/2012-10-30/chennai/34816346_1_defaulters-property-tax-tax-collection-target

Property Tax Reform and School Funding

Schools need long-term fix
(published October 24, 2012)
by Joseph P. Markham, Philly.com

Opinion article about school funding reform in Pennsylvania stresses that schools have been chronically underfunded and the system is headed for inevitable collapse unless school funding reform is implemented. State-mandated education requirements have outpaced a system reliant on the property tax and state funding.

For more information, go to:
http://articles.philly.com/2012-10-24/news/34681959_1_school-districts-real-estate-taxes-public-education

School districts: Tax cap limits control, violates state constitution
(published October 21, 2012)
by Kate Alexander, Statesman.com

Article discusses controversial Texas property tax ceiling imposed by the legislature that limits local property tax revenue increases for school funding. The Texas Constitution prohibits a statewide property tax. A landmark court case will decide whether the state-imposed limit constitutes an illegal statewide property tax by controlling local discretion. Controversy also exists on whether it is a school-funding issue or a school-spending issue.

For more information, go to:
http://www.statesman.com/news/news/state-regional-govt-politics/school-districts-tax-cap-limits-control-violates-c/nSh5f/

Poor Texas school districts tax at higher rate, but collect less money causing inequality
(published November 1, 2012)
by Will Weissert, Associated Press

Additional coverage of Texas court case questioning state control of property tax limits for school funding.

For more information, go to:
http://www.therepublic.com/view/story/5201ad1eb9844324a171ab6ccd361dfe/TX–Texas-School-Finance-Trial

Home Insurance

Home insurance high on Florida stress list
(published October 21, 2012)
by Zac Anderson

Article discusses rising property insurance rates in Florida that are beginning to outweigh property tax concerns. This growing financial concern is highlighted by double-digit annual increases in insurance rates that can exceed property tax costs.

For more information, go to:
http://www.heraldtribune.com/article/20121021/ARTICLE/310219990/-1/sports?p=all&tc=pgall

Committee Reports

Committee members attended the Fall Leadership Days wrap-up session in Kansas City to hear summaries of committee activities.

Communications Committee

L. Wade Patterson, Chair
Manuel Gallegos; Rebecca Malmquist, CAE; Tiffany Opheikens; Steve Van Sant; JoAnn Pierson; Chris Bennett, Staff Liaison

The Communications Committee met October 18–20 for Fall Leadership Days in Kansas City Missouri. The most important topic on the agenda was the 2012 Property Tax Assessment Policies and Practices (PTAPP) survey, which was launched October 17. The committee, in coordination with State and Provincial Council members, previously conducted this survey of U.S. states and Canadian provinces in 2010. Before that, it was published in 2000 as *Property Tax Policies and Administrative Practices in the United States and Canada.* The intent is to build on the existing data to keep it current and relevant. Once the survey is completed, the results and interpretation will be reported in the journal and be made available on the IAAO Web site.

At the request of IAAO officers, the committee discussed and approved exporting the *Journal of Property Tax Assessment & Administration* (JPTAA) as a digital "page-flipping" version in addition to the print edition. A page-flipping version of *Fair & Equitable* was introduced in 2010. Journal articles and F&E articles are also available to members in PDF format through LibraryLink. The articles will continue to be available in LibraryLink where they can be accessed using powerful search tools. The digital version of JPTAA will be introduced beginning with the Q4 issue in 2012.

The committee discussed a timeline to proceed with plans to create a Spanish translation of the IAAO *Glossary for Property Appraisal and Assessment.* The project is funded in large part by a donation from the Florida Chapter of IAAO. The current online glossary has also been made publicly available on the Web site.

The committee also decided to establish term limits for Editorial Board members beginning in 2013. This decision will provide opportunities for additional members to gain recognition by serving as article reviewers.

The committee spent considerable time discussing initiatives of the International Committee and ways that the Communications Committee can support those initiatives. There were a number of intersecting interests between international activities and the activities of other committees, including Membership Services, Communications, Education, Technical Standards, and possibly others.

The committee ended the meeting with discussions about the digital future of IAAO. A variety of digital options were discussed, including special digital-only sections in F&E, inclusion of nonmembers in certain IAAO communications and forums, and the availability of IAAO books and other products available in secure digital e-formats.

Membership Services Committee

Wendel Ingram Jr., Chair
Thomas Frey, RES, AAS; William Healey, Jr.; David Kimbrough; Janice Olsson, RES; Tina Stone, PPS; Pete Rodda, CAE, RES; Robin Parrish, Staff Liaison

The Membership Services Committee met at Fall Leadership Days. The committee had an ambitious agenda.

The committee received an update of current IAAO membership numbers. IAAO currently has 6,923 members and a very successful 91% membership retention rate.

Tiffany Seward of Austin, Texas, presented an outline for an upcoming Webinar, "The Face of Customer Service in the Assessment Office," with a focus on telephone and e-mail etiquette. The April 17, 2013 Webinar will be offered to members and nonmembers at no cost. The committee also met with the Professional Development Committee chair and discussed the vetting process for selecting Webinar instructors.

A project plan was approved to survey IAAO member prospects. The committee hopes to find out what benefits would entice member prospects to join IAAO. Also discussed was a plan for the spring 2013 membership promotion. It was decided that members will receive a $25 credit for each new member recruited that can be used toward any purchase in the IAAO Marketplace.

Last, the committee discussed the topic of membership categories and began to brainstorm ideas of how IAAO might look in the future, including a focus on continued outreach to international prospects.

Professional Designations Subcommittee

Darwin Lee Kanius, CAE, Chair

T. Dwane Brinson, CAE; Otho Fraher, CAE; Jeff Holsapple, CAE, RES; Farrah Matthews, CAE; Steve Thomas, CAE, PPS; Gary McCabe, CAE, Chair, Professional Development Committee; Wanda Musick-Witthar, Staff Liaison

The Professional Designations Subcommittee (PDS) met at Fall Leadership Days. The PDS was advised by the staff liaison that the developer of the rewrite of the *Guide to Real Property Demonstration Appraisal Report Writing* has met the first deadline, and an outline of the guide was delivered.

The PDS reviewed and discussed three fee options for professional designees with multiple designations. Currently there is no adjustment to the fees for these members. The subcommittee agreed to one of the options, which will form the basis of a recommendation to the Executive Board. However, the subcommittee also agreed that all three options will be presented for the board's consideration.

The subcommittee is also recommending to the Executive Board an increase in the fees paid to grader(s) of demonstration appraisal reports.

The PDS has revised one project plan and developed two new project plans for the review and revision of the AAS, RES, and CAE case study and master examinations. These plans will be presented to the Executive Board for consideration in November.

The PDS accepted proposed changes to the IAAO Procedural Rules, drafted by Larry Clark, concerning USPAP for international members seeking designation. Other changes to the Procedural Rules were discussed, including new wording for section 10.2.5 (d); no change to 10.3.10.2–10.3.10.6; no change to 10.2.15.2; and no change to 10.2.5 (d) 6. In addition, the PDS discussed the relevance of PR 10.2.12.4 (University of New York Masters Degree Program) in light of the strengthening of the qualifying standards for the CAE and RES designation in 2014 and 2015. It was discovered that this program does not contain an assessment concentration, so it was agreed by the PDS that the rule should be stricken from the Procedural Rules. Proposed revisions will be prepared and sent to the Planning and Rules Committee in due course.

The Executive Board met with the PDS on Friday afternoon to discuss two main issues: the project plans and the revision to procedural rule 10.2.5 (d). As noted above, considerable progress was made in addressing those issues.

The PDS will prepare a formal response regarding The Appraisal Foundation's proposed changes to the PPS designation within 30 days after the Leadership Days meetings.

The PDS discussed a request by a member of the Alberta Assessor's Association (AAA) to accept a waiver of the com-

Interaction between the Chapters & Affiliates Committee, chaired by Lisa Andres; the Communications Committee, and chair of the Education Subcommittee, Robert Reardon, CAE.

mercial demonstration report/case study examination in accordance to an agreement that was in place between the AAA and IAAO in the late 1990s. The PDS agreed on a course of action and will communicate its decision in due course.

Wanda Witthar, Assistant Director of Professional Development, reported on the Professional Designation Program. It was noted that to date 124 candidates had been accepted into the designation program in 2012 with 25 new designees for the 2013 Virginia Cup. Witthar also reported that attendance at the IAAO Demonstration Appraisal Writing and Grader's Workshop at the conference totaled 58. This compares well with the 25 attendees in 2011.

Research Committee

Ronald Rakow, Chair
William Wadsworth; August Dettbarn; Shawn Ordway; Ken Uhrich; Gary Snyder; Mary Odom, Staff Liaison

The Research Committee is pleased to report that the Certificate of Excellence in Assessment Administration (CEAA) program has grown beyond anyone's expectations: nine new jurisdictions were certified and one was recertified in 2012 (see story on page 23). Congratulations to the most recent recipients: Leon County, Florida; Orange County, Florida; Taylor Central Appraisal District, Texas; El Paso Central Appraisal District, Texas; Davidson County, Tennessee; Sarasota County, Florida; Ada County, Idaho; Washington County, Arkansas; City of Alexandria, Virginia; and Seminole County, Florida. This brings the total number of jurisdictions certified to 19 in 8 states.

Wendel Ingram presents a summary of the Membership Services Committee activities.

Now that 19 jurisdictions are certified, which includes three jurisdictions that have been recertified, the committee needs to ensure jurisdictions are aware of requirements for recertification. The committee will prepare a template for tracking the requirements that will be needed by each jurisdiction over the next 5 years.

The Executive Board has asked the Research Committee to complete and publish a staffing benchmark survey for the membership. The last staffing survey for the organization was developed in 1986. Because there is considerable demand for staffing information, an update is clearly warranted. The committee is currently working with Dr. Larry Walters from Brigham Young University on the survey instrument design and hopes to roll it out to a randomly selected sample in the coming weeks. The goal is to deliver a final report to the board in early 2013 and present the results at the next annual conference. This survey will not include salary data, but will focus on number of employees, number of parcels, and level of technology currently in use.

The committee is currently wrapping up a research project detailing IAAO's leadership role in the development of automated valuation models (AVMs). Assessors have consistently demonstrated leadership in the application of technology to real property appraisal, including the development of computer assisted mass appraisal (CAMA) systems in the1960s, AVMs using statistical methods and software in the 1980s, and geographic information systems (GIS) in the 1990s. The committee believes that the application of the AVM techniques that assessors have used for decades would increase the accuracy and objectivity of appraised values. This research underscores why IAAO needs to promote its expertise in AVM technologies and be proactive in the development of new appraisal rules because they will become standards that assessors will be judged by in the future.

Technical Standards Committee

Alan Dornfest, AAS, Chair
Doug Warr, AAS; Mary Reavey; Robert Gloudemans; Michael Prestridge; Dennis Deegear; Chris Bennett, Staff Liaison

The Technical Standards Committee met October 5 by conference call and again in-person November 15-17 in Kansas City.

The *Guide to Assessment Standards* was discussed and finalized subject to formatting and cleanup at the November meeting. Completion of the project will be reported to the Executive Board in January.

The *Standard on Digital Cadastral Maps and Parcel Identifiers* has been opened for a full review and update following input from stakeholders during the past year. Committee member Michael Prestridge attended the Florida Association of Cadastral Mappers Meeting on October 22–24 to gather feedback and comments. A draft document outlining issues and comments was reviewed at the November meeting. Additional comments will be solicited following additional updates.

A major topic of discussion has been a proposed International Mass Appraisal Guidance document. The Technical Standards Committee is working in cooperation with the International Special Committee to further develop this draft and solicit comment from international stakeholders and the Executive Board. A contact list was established at the International Focus Group meeting at the annual conference. Technical Standards Committee chair Alan Dornfest, AAS, attended a meeting in the Republic of Cyprus (see F&E November 2012), and a report was prepared for presentation to the Executive Board at their November meeting.

Substantial revisions to the draft were made based on input from the focus group meeting and Cyprus trip. The committee will continue to refine the draft and solicit feedback from stakeholders. At the November meeting, the structure of the document was changed to outline the requirements necessary to establish a mass appraisal system. Much of the content of the original document was retained

Other standards that were reviewed at the November meeting are *Standard on Professional Development*, *Standard on Assessment Appeals*, *Standard on Ratio Studies*, *Standard on Automated Valuation Models*, and *Standard on Mass Appraisal of Real Property*.

Also discussed was the glossary translation project being worked on by the Communications Committee and review of a timeline to conduct the next Ratio Study Practices Survey.

Planning & Rules Committee

Robert Boley, AAS, Chair
David Sanford, CAE; Donna VanderVries, AAS, CAE; Marsha Standish; Amy Rasmussen, RES; Kellianne Nagy, CAE; Lisa Daniels and Vickie Turner, Staff Liaisons

The Planning & Rules Committee met at Fall Leadership Days. The committee met with a number of other committees as well as the Executive Committee concerning a variety of issues, but spent the major portion of its time on a final review of an update to the entire Procedural Rules, and preparation of recommendations for updating and monitoring the IAAO Strategic Plan. The Executive Board was asked to approve the updated Procedural Rules at its November 9–10 meeting and review recommendations for the Strategic Plan.

In 2013, the Planning & Rules Committee anticipates reviewing and updating the numbering system for the Procedural Rules to make it more consistent, and looks forward to working with the new Infrastructure Review Committee.

Chapters and Affiliates Committee

Lisa Andres, Chair
Raymond Beattie, Jr.; Jeffrey Cunny; Ryan Adam Hatch; Bryan Kinsey, AAS; Donna Lee McCabe, AAS; Robin Parrish, Staff Liaison; David Wayne Reed, Staff Liaison

Since its last meeting during Spring Leadership Days, the Chapters and Affiliates Committee has approved four new affiliates and received one additional application, which is being reviewed. Three more potential affiliates are in the process of being brought into the organization.

A survey was devised and sent to the leaders of chapters and affiliates, asking for information about their budgets, dues, education, and the like. The purpose of the survey was to help the committee understand what it could do to make their affiliation with IAAO as beneficial as possible. During Fall Leadership Days, the committee met with the Communications Committee and Education Subcommittee to share results of the survey and get feedback about how the needs of chapters and affiliates might be met.

During Spring Leadership Days, the committee decided to assume responsibility for reviewing all chapter by-laws once every five years. During Fall Leadership Days, the committee drafted and adopted the actual procedure that will be used to accomplish this review in an organized and repeatable fashion.

There are eight states that have neither a chapter nor an affiliate: Alabama, Alaska, Hawaii, Illinois, Montana, New Mexico, Nebraska, and Ohio. Our goal is to have a

The Communications Committee and Membership Services Committee met to discuss updates from the International Committee and the effect it will have on other committee activities.

Council & Sections Committee member Faye Tate addresses the other attendees at Leadership Days with her usual good humor.

fully filled-in map by next November. Our new campaign is "Put Yourself on the Map with IAAO." A recruitment package will be assembled to aggressively pursue leads in the 8 missing states and to follow up on leads for a potential 35 additional chapters or affiliates.

The committee decided to publish an article in January F&E to share survey results, call for ideas and suggestions, and let current and potential chapters and affiliates know that we are here to help them. The committee also decided to have conference calls with chapter leaders over a 2–3 day period in early February to offer assistance, share ideas, and find solutions.

Similarly, targeted e-mails will be sent to chapter leaders every other month, starting this winter. These e-mails will include information pertinent to chapters and affiliates and their membership. Work on an online resource guide will continue, so that all chapters and affiliates, current and potential, can find the information they need to create a chapter and maintain it according to the IAAO Chapter Handbook.

The committee is looking for new ideas of what it can offer to potential chapters and affiliates as incentives to join IAAO. If anyone has suggestions, please contact a member of the committee. Your input is welcomed and sincerely appreciated.

Conference Content Committee

Rick Kuehler, Chair

Linda Stevenson, Local Host Representative; Greg McHenry, AAS; Ken Voss, CAE, Associate Member; Deborah Ring; Colleen Keene; Warren Weathers; and Leann Ritter, IAAO Staff Liaison.

The committee had the opportunity at Fall Leadership Days to review evaluations from the 2012 conference presentations, as well as the overall conference surveys that were completed by attendees. There was a lot of positive feedback from the conference. There were also some very good suggestions for the 2013 conference. Some of these suggestions will lead to changes that will make a great conference even better.

In addition to suggestions for presentation topics submitted by conference attendees, the committee also looked at the list of research requests that have been submitted to the IAAO library. Review of the suggestions and research requests led to the selection of six preliminary tracks for the 2013 conference: Tax Policy and Administration; Management and Personal Development; Commercial: Real and Personal Property; Technology; Residential Focus; and Special Issues. These tracks will be formalized at the

Councils & Sections Committee Chair Tim Boncoskey provides an update of his committee's activities.

February meeting once the presentation submissions have been reviewed.

Further, the committee made slight changes to the program format. These changes include the addition of a general session with a topic of local interest offered on Monday morning and a plenary session offered on Wednesday morning.

The committee encourages submissions of presentations to be considered for the 2013 conference program. The Call for Presentations can be found on the IAAO Web site. It is also in this F&E issue on page 28 and will be distributed through IAAO E-News. If you have recently heard a presentation that would add value to the conference program, please invite the presenter to submit a presentation or contact one of the Conference Content Committee members, who will then contact the presenter to request a submission. The deadline for presentation submissions is January 29, 2013.

The committee will meet again in February to make selections and finalize the educational content for the 2013 conference. We look forward to seeing everyone in Grand Rapids, Michigan, for the 79th Annual International Conference on Assessment Administration.

Technical Assistance Committee

Roland S. Ehm, Chair
Gregory Daniels, CAE; Richard H. Hoffman, CAE; Lisa Daniels, Staff Liaison

The committee is Beta testing a Case Study project that provides information about IAAO members who wish to participate in IAAO Technical Assistance. The committee added instructions with an anticipated timeframe to complete the Case Study. A certification page was also created for participants to sign.

The committee spent considerable time laying out the framework for marketing IAAO Technical Assistance Projects. Part of the marketing research will involve looking at other associations that might provide leads for projects.

The committee wants to be more proactive in marketing IAAO Technical Assistance. The Committee reviewed the ten most recent technical assistance projects to help evaluate strengths and areas for improvement in projects.

The committee was also introduced to part-time Technical Assistance Coordinator Ginny Whipple, AAS.

The committee reviewed the financial status of IAAO Technical Assistance Projects. Since 2008, IAAO has received more than $645,000 in revenue with a net return to the association of $178,000.

ASSISTANT ASSESSOR

Albemarle County, Charlottesville, Virginia

FINANCE DEPARTMENT

SALARY: $54,513 - $65,416/ DOQ (+) Benefits Performs difficult and complex professional work engaged in real property appraisal; facilitates and supports staff in the delivery of competent and accurate real property appraisals; responsibilities include planning, organizing, supervising and directing the appraisal staff; performs complex computer-assisted financial analysis and review of subordinates work. QUALIFICATIONS: Thorough knowledge of the modern principles, practices, objectives, and philosophies of real property assessment. Any combination of education and experience equivalent to graduation from an accredited college or university with major course work in Real Estate, Business Management, or Economics; requires minimum of eight years appraisal experience for taxation purposes. Licensed by the Commonwealth of Virginia as a certified appraiser, or be willing to obtain Virginia Appraiser license within 6 months of appointment. A professional designation and supervisory experience is preferred.

DEADLINE FOR APPLICATION: Until filled

APPLY: On-line application and complete job description - www.albemarle.org/jobs

County of Albemarle, Department of Human Resources

401 McIntire Road, Charlottesville, VA 22902; (434) 296-5827

INDUSTRIAL PROPERTY APPRAISER

Washington County Oregon Department of Assessment & Taxation

Take your career to the next level with Washington County Oregon's Department of Assessment & Taxation.

You will perform valuations and appraisals of complex business Real and Personal Property. Industrial property characteristics assigned to this position typically include distribution, assembly, processing, or manufacturing products from raw materials or fabricated parts and includes factories that render service.

Successful candidates will possess:

- A Bachelors Degree in Business Administration, Public Administration, or Science and two (2) years of industrial appraisal experience; OR
- An Associates Degree in Real Estate and (3) years of industrial appraisal experience; OR
- Designation or Completion Certificates with curricula directly related to the finance, insurance, and real estate industry and three (4) years of industrial appraisal experience

Pay range is $27.98 - $34.01/hour ($58, 192 - $70, 740/ annually). We offer opportunities for professional growth and a comprehensive benefits package. For more information on this position and to apply on-line, please visit our Human Resources page at www.co.washington.or.us.

Equal opportunity employer with commitment to a diverse workforce. Women, minorities, veterans and people with disabilities are encouraged to apply.

CHIEF APPRAISER

Carlsbad, New Mexico

Responsible for proper assessment of real and personal property, agricultural/grazing land and protests. Work with maps, building permits, and previous file information, to locate property to be appraised. Establish values and grades of real and personal property, determine the proper appreciation/depreciation, draw sketches, enter measurements and other information. Supervisory/managerial experience preferred.

Candidates must possess Four IAAO certificates and be able to certify with New Mexico Taxation and Revenue for Certified Appraiser Certificate within one year.

Pay range from 17.25 to 19.03 DOE. Incentive pay for the 4 IAAO certificate. Excellent benefits. For more information on this position go to www.eddycounty.org

APPRAISER ANALYST 3 (SR. APPRAISER ANALYST)

Salem, Oregon

The Oregon Dept. of Revenue is currently recruiting for an APPRAISER ANALYST 3 (Sr. Appraiser Analyst) to join our Property Tax Division - Valuation Section in Salem.

The purpose of this position is to appraise industrial and centrally assessed properties. This position is assigned to the Valuation Section and may be required to appraise industrial, public utility, railroad, and transportation properties. Appraisals include real and personal properties. This position also audits the books and records of owners of such properties. This position supports the mission of this division; "work to ensure that the Local Government Finance Systems work effectively to fund services for Oregonians."

This is a full-time, SEIU represented position. This recruitment may be used to fill additional vacancies as they occur.

http://agency.governmentjobs.com/oregon/default.cfm?

Education Calendar

For more information about sponsoring IAAO classes contact Education Manager Jean Spiegel, spiegel@iaao.org. Please contact the individual coordinator listed for each state's offerings for enrollment/registration information.

BY LOCATION

Alabama

102—Income Approach to Valuation
Hoover, January 28–February 1, 2013
151—National USPAP
Montgomery, June 12–14, 2013
101—Fundamentals of Real Property Appraisal
Hoover, September 9–13, 2013
Center for Governmental Services sponsors the offerings listed above. For more details, contact Julia Heflin 334/844-4782.

Arizona

300—Fundamentals of Mass Appraisal
Phoenix, April 8–12, 2013
601—Cadastral Mapping: Methods & Applications
Phoenix, April 15–19, 2013
311—Residential Modeling Concepts
Phoenix, October 18–November 1, 2013
The Arizona Chapter of IAAO sponsors the offering listed above. For more details, contact Charles Krebbs 602/506-5191.

Arkansas

101—Fundamentals of Real Property Appraisal
Little Rock, March 25–29, 2013
201—Appraisal of Land
Little Rock, April 22–26, 2013
500—Assessment of Personal Property
Little Rock, May 13–17, 2013
102—Income Approach to Valuation
Little Rock, September 9–13, 2013
300—Fundamentals of Mass Appraisal
Little Rock, December 2–6, 2013
The Assessment Coordinator Department sponsors the offerings listed above. For more details, contact Cleta McVay 501/324-9104.
112—Income Approach to Valuation II
Fayetteville, April 1–5, 2013
The Arkansas Chapter of IAAO sponsors the offerings listed above. For more details, contact Farrah Matthews 870/886-1135.

Florida

101—Fundamentals of Real Property Appraisal
Ft. Myers, January 7–11, 2013
102—Income Approach to Valuation
Ft. Myers, January 7–11, 2013
311—Residential Modeling Concepts
Ft. Myers, January 7–11, 2013
101—Fundamentals of Real Property Appraisal
Miami, January 14–18, 2013
112—Income Approach to Valuation II
Lake Mary, February 4–8, 2013
311—Residential Modeling Concepts
Lake Mary, February 4–8, 2013
101—Fundamentals of Real Property Appraisal
Tallahassee, March 18–22, 2013
102—Income Approach to Valuation
Tallahassee, March 18–22, 2013
The Florida Department of Revenue/Property Tax Oversight Program sponsors the offering listed above. For more details, contact Meghan Miller 727/538-7312.

Georgia

400—Assessment Administration
Atlanta, February 11–15, 2013
The Georgia Association of Assessing Officers sponsors the offering listed above. For more details, contact John R. Scott 912/764-0116.

Idaho

101—Fundamentals of Real Property Appraisal
Boise, January 7–11, 2013
102—Income Approach to Valuation
Boise, January 7–11, 2013
201—Appraisal of Land
Boise, January 7–11, 2013
311—Residential Modeling Concepts
Boise, January 7–11, 2013
400—Assessment Administration
Boise, January 7–11, 2013
402—Tax Policy
Boise, January 7–11, 2013
650—Cadastral Mapping
Boise, January 7–8, 2013
651—GIS for Assessors
Boise, January 9–10, 2013
The Idaho State Tax Commission sponsors the offering listed above. For more details, contact Jan Barnard 208/344-8365.

New Hampshire

400—Assessment Administration
Concord, February 4-8, 2013
The NH Association of Assessing Officers sponsor the offering listed above. For more details, contact Todd Haywood 603/496-7293.

Ohio

101—Fundamentals of Real Property Appraisal
Delaware, February 11–15, 2013
300—Fundamentals of Mass Appraisal
Alliance, April 15–19, 2013
The Ohio Ad Valorem School sponsor the offering listed above. For more details, contact Robert Graham 330/935-2997 or OhioAdValorem@neo.rr.com.

Tennessee

402—Tax Policy
Nashville, January 14–18, 2013
101—Fundamentals of Real Property Appraisal
Knoxville, February 18–22, 2013
101—Fundamentals of Real Property Appraisal
Nashville, April 15–19, 2013
102—Income Approach to Valuation
Nashville, June 3–7, 2013
311—Residential Modeling Concepts
Nashville, July 8–12, 2013
500—Assessment of Personal Property
Nashville, October 21–25, 2013
312—Commercial/Industrial Modeling Concepts
Jackson, November 4–8, 2013
551—Valuation of Machinery and Equipment
Nashville, November 19–21, 2013
The Comptroller of the Treasury, Division of Property Assessments sponsor the offering listed above. For more details, contact James Woodyard 615/401-7789 or Cristi Moore 615/401-7774.

Texas

311—Residential Modeling Concepts
Houston, March 4–8, 2013
400—Assessment Administration
Houston, March 11–15, 2013
The Texas Association of Appraisal Districts sponsor the offerings listed above. For more details, contact Doris Koch 512/467-0402.

BY COURSE

Course 101—Fundamentals of Real Property Appraisal
January 7–11, 2013, Florida (Ft. Myers)
January 7–11, 2013, Idaho (Boise)
January 14–18, 2013, Florida (Miami)
February 11–15, 2013, Ohio (Delaware)
February 18–22, 2013, Tennessee (Knoxville)
March 18–22, 2013, Florida (Tallahassee)
March 25–29, 2013, Arkansas (Little Rock)
April 15–19, 2013, Tennessee (Nashville)
September 9–13, 2013, Alabama (Hoover)
Course 102—Income Approach to Valuation
January 7–11, 2013, Florida (Ft. Myers)
January 7–11, 2013, Idaho (Boise)
January 28–February 1, 2013, Alabama (Hoover)
March 18–22, 2013, Florida (Tallahassee)
June 3–7, 2013, Tennessee (Nashville)
September 9–13, 2013, Arkansas (Little Rock)
112—Income Approach to Valuation II
February 4–8, 2013, Florida (Lake Mary)
April 1–5, 2013, Arkansas (Fayetteville)
Workshop 151—National USPAP
June 12–14, 2013, Alabama (Montgomery)
201—Appraisal of Land
January 7–11, 2013, Idaho (Boise)
April 22–26, 2013, Arkansas (Little Rock)
Course 300—Fundamentals of Mass Appraisal
April 8–12, 2013 Arizona (Phoenix)
April 15–19, 2013, Ohio (Alliance)
December 2–6, 2013, Arkansas (Little Rock)
Course 311—Residential Modeling Concepts
January 7–11, 2013, Florida (Ft. Myers)
January 7–11, 2013, Idaho (Boise)
February 4–8, 2013, Florida (Lake Mary)
March 4–8, 2013, Texas (Houston)
July 8–12, 2013, Tennessee (Nashville)
October 28–November 1, 2013, Arizona (Phoenix)
312—Commercial/Industrial Modeling Concepts
November 4–8, 2013, Tennessee (Jackson)
Course 400—Assessment Administration
January 7–11, 2013, Idaho (Boise)
February 4-8, 2013, New Hampshire (Concord)
February 11–15, 2013, Georgia (Atlanta)
March 11–15, 2013, Texas (Houston)
Course 402—Tax Policy
January 7–11, 2013, Idaho (Boise)
January 14–18, 2013, Tennessee (Nashville)
500—Assessment of Personal Property
May 13–17, 2013, Arkansas (Little Rock)
October 21–25, 2013, Tennessee (Nashville)
551—Valuation of Machinery and Equipment
November 19–21, 2013, Tennessee (Nashville)
601—Cadastral Mapping: Methods & Applications
April 15–19, 2013, Arizona (Phoenix)
650—Cadastral Mapping
January 7–8, 2013, Idaho (Boise)
651—GIS for Assessors
January 9–10, 2013, Idaho (Boise)

New Members

For a membership application, visit http://www.iaao.org/ and click on Membership

Manitoba, Canada
Louise Hodder

Ontario, Canada
David G. Powell
Lori-Ann Seethaler
Gina Stone
John Watling

Saskatchewan, Canada
Bryce Trew

Northern Ireland, United Kingdom
Ian G. Lamont

Alabama
Leigh Ann Fair
Eddie Kelley
Doster L. McMullen

Arkansas
Michael S. Nelson
Ramona K. Phifer

Colorado
Marcus Scott
Natalie Woodruff

Florida
Michael W. Akana
Lynne Coffin
Lorie A. Woods

Georgia
Leah Cadray
Henry E. Hutcheson, Jr
Christopher A. Kight
Marion D. Williams

Illinois
Melody A. Dunn
Erik Fries
Chesney Leafblad
Chris D. Sarris
Laura Lee Variny

Indiana
Steven M. Shockley

Iowa
Ann I. Burckart
Donna Koester
Nicholas A. Van Camp

Maine
Donald D. Harriman

Maryland
Raynard M. Fenster, PhD

Massachusetts
Daniel C. Brogie
Carolyn Floyd
Joyce Yanyun Man

Michigan
Elizabeth J. Clemens
Mary E. Cornell

Minnesota
Gary L. Griffin
Russell G. Namchek

Montana
Daniel J. Whyte

New Jersey
Mary F. Hildebrandt

New Mexico
Ima Lee Mellard

New York
Martha E. Stark, Esq

North Carolina
Donald W. Clodfelter, Jr
Teresa A. Elks
Melissa Ann Fleig
Jamon W. Gaddy
William F. Jennings
Angel B. Quincy
Mandy E. Soto
Kevin G. Turner

Oklahoma
Edward Whitworth

Oregon
Deborah Attwood
David B. Babcock
Osei-Owusu Banahene
Bruce W. Barclay
Jason Baribeault
Erineo Benavidez
Jason Bettles
W. John Botaitis
Douglas I. Brown
Jeffrey R. Brown
Tina M. Burell
Bryan Burns
Tami Campbell
Scott Carver
Jeffrey M. Cavanaugh
Paul T. Dailey
Jeffrey J. Dangermond
Barry Dayton
Belinda Deglow
Richard S. Deich
Scott Elliott
Jesse Graff
Kim M. Gushulak
Sherri B. Guttormsen
Kurtis Hamm
Karla K. Hartenberger
Mark Hertel
Eric Holm
Leanne L. Holz
John James
Albert A. Jinkins
Jason Junot
Brandon MacNeil
Stephanie McQuown
Becky L. Merrick
Randall D. Miller
Jim T. Nagae
Gene A. Olson
Ron G. Patton
James E. Sanders
Jeff E. Sanders
Robert S. Schafer
Matthew J. Smith
Larry A. Steele
Suzanne Warman
Michael S. Watson
Scarlet M. Weigel

Rhode Island
Leonard A. Duckworth

South Carolina
Laura Morris

Tennessee
Judy A. Brewer
Debbie Byrd
Michelle Campbell
Kayla Downey
Calvin Hinton
Rob Mitchell

Texas
Joe D. Raper

Virginia
Steven M. Daubert
Priscilla Green
Edward J. Ibinson
Jamie Tyson
James F. Wilson

West Virginia
Kent N. Sowards

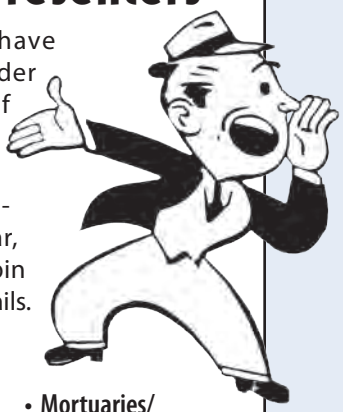
Wisconsin
Karen Anderson
Megan J. Bezanson
Theresa M. Bizub
Richard Christenson
Timothy J. Drascic
Stewart A. Hamel
Martin A. Kuehn
Mark A. Link
Claude Lois

Wyoming
Shyanne K. Peterson
Jennifer L. Wilson

Call for Webinar Presenters

IAAO is calling all members who have expertise in defined areas to consider presenting a 2-hour Webinar on behalf of the association.

If you feel that you are qualified to speak on any of the topics listed below via an IAAO Webinar, contact Director of Membership, Robin Parrish at parrish@iaao.org for more details.



Topics of Interest

- Billboards
- Burden of Proof
- Car Dealerships
- Car Washes
- Casinos
- Cell Phone Towers
- Churches
- Contaminated Land
- Convenience Stores/Gas Stations
- Fitness Centers
- Flex Buildings
- Golf Courses
- Green Buildings
- Historical Property
- Hospitals/Surgical Centers
- Landfills/Rock Quarries
- Marinas
- International
- Mortuaries/ Cemeteries
- Restaurants
- Self Storage Units
- Mineral Rights
- Subsidized Housing
- Swimming Pools/ Rec. Properties
- Theaters
- Windfarms and Hydroelectric

Looking to 2013

It never ceases to amaze me that the older I get, the faster time flies; and now it's December—what happened to 2012? Since I can't remember every positive detail of what happened in IAAO since last January, I'll highlight a few items that perhaps you've forgotten too and touch upon a couple of topics for 2013.

Membership

The number of IAAO members this year has surpassed the number at this time last year! As of this writing, there are 7,037 members in the association. Membership has hovered around this number the last couple of years, but considering the recession and its impact on our profession, I'm pleased that we're still hovering. Of course a growing membership would be very nice too. Moreover, IAAO members are the best. They keep coming back for more educational opportunities—the retention rate is a high 91 percent.

We hang our (Santa) hat on membership promotions throughout the year to inspire growth and recognize existing members for referring new members. The 2-for-$200 program has been a viable membership recruitment program for IAAO since the fall of 2010, and the "Goin' to Kansas City" promotion, which ran immediately prior to the annual conference, proved to be successful as well. New membership promotions will be offered in 2013, and I hope you will participate and reap the benefits that they bring to referring members. Remember, if you recruit a new member via the 2-for-$200 program, you could win $200 in a monthly drawing.

IAAO has 403 members in 21 countries besides the United States; Canada has 295 members; and there are 108 members in other countries. IAAO has 12 International Affiliates in six countries. Of these, five are in Canada and seven are outside of North America.

The 21 countries besides the United States with IAAO members are Australia, Bahamas, Barbados, Canada, China, Greece, Hong Kong, Iceland, Republic of Korea, Latvia, Mexico, Netherlands, New Zealand, Pakistan, Philippines, Slovenia, South Africa, Spain, Thailand, United Kingdom, and Zambia. The 12 international affiliates are in 6 countries including Canada (5), China (2), Japan (1), the Republic of Korea (2), Lithuania (1), and Russia (1).

Chapters and Affiliates

Chapters and affiliates continue to have a strong, important presence in IAAO. The new Chapter and Affiliates Committee has been working hard during the first year of its existence. The number of affiliates has increased to 56, and there are 26 chapters. The five new affiliates approved in 2012 are the Center for Assessment and Development of Real Estate, the Assessor's Association of Nevada, the International Property Tax Institute, the Vermont Association of Listers and Assessors, and the Tennessee Association of Assessing Officers.

The really good news for 2013 is that there are several more potential affiliates to be invited into IAAO, including the California Assessor's Association, the National Association of Mass Appraisers, and the Utah Assessor's Association. To view a list of all IAAO chapter and affiliates, go to www.iaao.org and under People & Groups, click on Chapters & Affiliates.

AssessorNET

AssessorNET is the No. 1 benefit of membership in IAAO, with 44 groups (so far) and more than 6,800 posts (and quickly climbing). Members share questions, concerns, and answers that show solid support for each other in the assessment profession. Since I am not an appraiser or assessor, I gain more knowledge about the assessment profession by reading the posts from member *experts*.

On AssessorNET, you can participate in discussion groups; upload and download documents to group libraries; start a blog (have you read the Membership Blog?); and update your profile. You can also use your Smartphone to access AssessorNET via a custom mobile view. Do you have a question about an assessment issue? IAAO members have the answer on AssessorNET!

Webinars

This year was another full year of great online education: 13 IAAO Webinars with topics ranging from cell tower and carrier equipment valuations, to intangibles in commercial properties, to cash modeling in an accrual world. For those who weren't able to catch a live presentation, all Webinars have been recorded and are available for viewing under the Webinars tab on the IAAO Web site (see page 19 of this issue). Topics are based on requests by IAAO members. Numerous other topics could be offered, such as burden of proof, fitness centers, and historical property, but developers and presenters are needed for them (see Call for Webinar Presenters on facing page).

The calendar for the 2013 Webinars is given on page 19 of this issue; review the calendar and note the presentations you would like to attend. Remember, most live Webinars offer 2.0 CEUs.

2013 Membership

As I mentioned earlier, IAAO has an excellent retention rate, 91 percent; in fact, this history of high retention rates goes back several years. With the 2013 membership renewal now in your hands, I hope you return next year as a continuing member of IAAO. And if you haven't received your 2013 membership renewal notice, e-mail me at parrish@iaao.org or the membership staff at membership@iaao.org and we'll send you another one. If you'd like to pay your membership renewal by phone, call me at 816.701.8101 or 800-616-4226 and we'll take care of you.

Thank you for your past and continued membership in IAAO and may 2013 be all you want it to be.

Happy Holidays,

Robin Parrish

Director of Membership

International Association
of Assessing Officers
314 W 10th St
Kansas City, Missouri 64105-1616

GOOD THINGS COME IN PAIRS...

EXTEND THE BENEFITS OF IAAO TO A COLLEAGUE **AND YOU COULD EARN CASH PRIZES!**

For a limited time, recruit new members who will get up to two years (or more!) of membership for only $200. They can join now and not pay dues again until January 1, 2015!

This deal is doubly good because for each person you refer, you get an entry into a monthly drawing for $200. It's a win-win, the perfect pair!

This incredible offer expires on March 31, 2013. The sooner you recruit new members, the more they get for free, and the more chances you have to win $200.

Visit www.iaao.org for more information and a special membership application.
Questions? Contact membership@iaao.org or call 1-800-616-IAAO (4226).

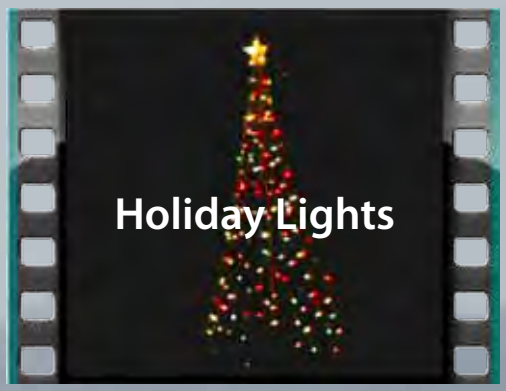
This deal is 2 good 2 pass up, so don't wait, share today!

FOR EACH PERSON YOU REFER, YOU GET AN ENTRY INTO A **MONTHLY DRAWING FOR $200**

International Association of Assessing Officers

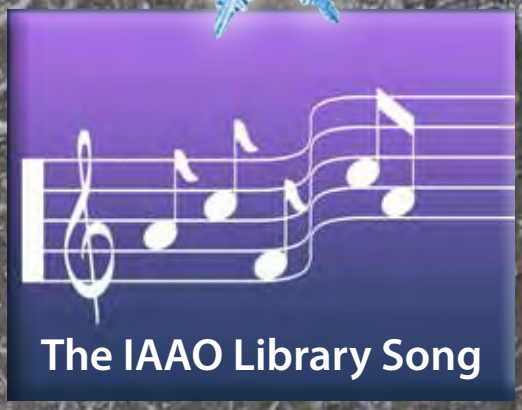
Holiday Fun


IAAO
Staff


Holiday Lights


Holiday Snow
Winter Snow Scene


Happy Holidays
from
IAAO Staff


The IAAO Library Song