



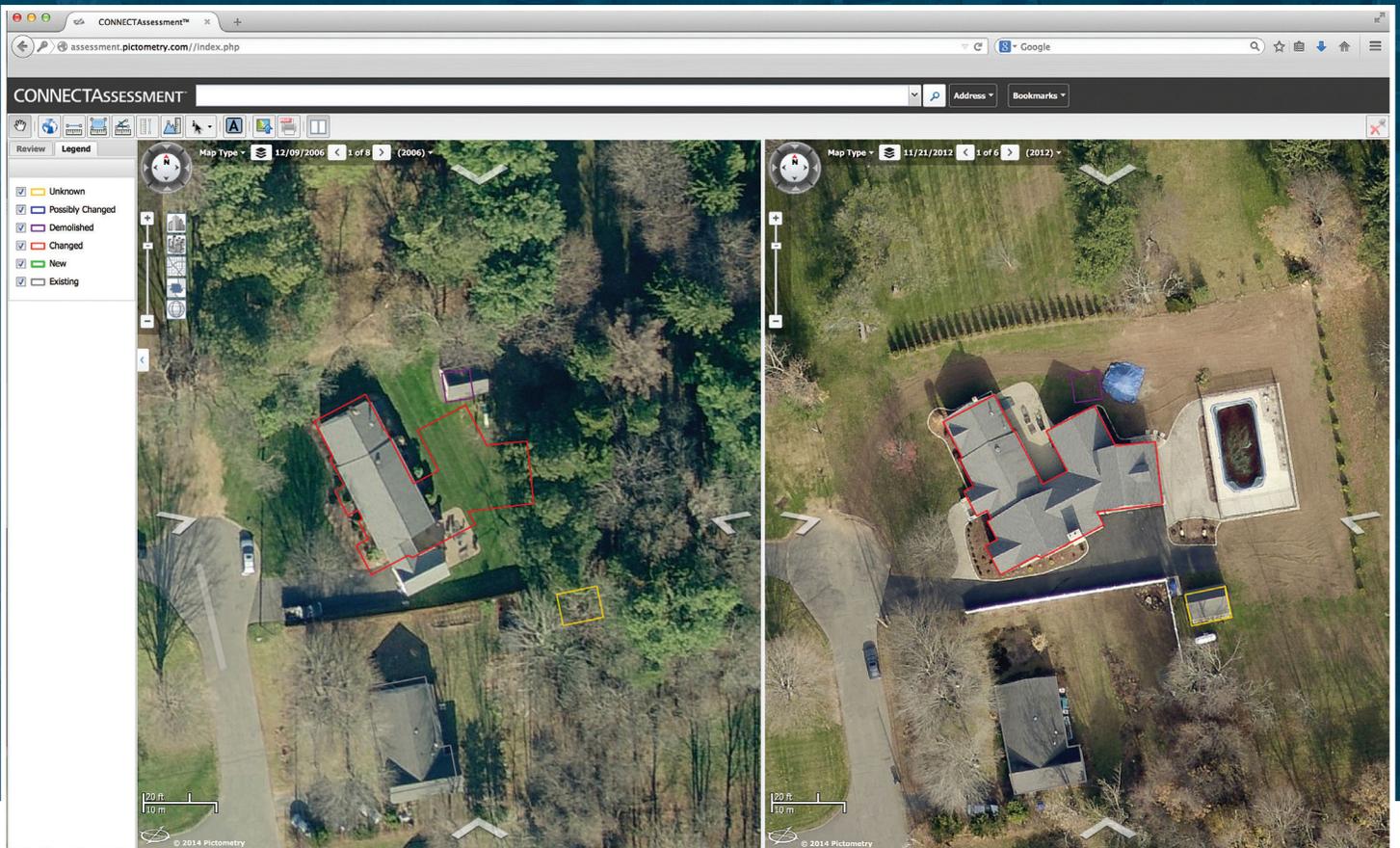
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Transparency
and Professional
Sports Facilities

Geoffrey Propher



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FROM THE PRESIDENT

Kim Lauffer, RES

Dear IAAO Members,

This is my final official message as president of IAAO. I want to take this opportunity to express my deep appreciation to IAAO members, staff, and industry partners for the support they have provided.

The board decisions this year, as reflected in the minutes, are a clear indicator of an intent to implement change and respond to member needs both now and in the future. Even though 2014 was challenging, it was also affirming in many ways. It is clear that IAAO is headed in the right direction.

The Executive Board had its final in-person meeting for 2014 on October 16–18, in White Plains, New York. The following is a summary of major actions.

Executive Director Search

- A timeline was approved in the search for a new Executive Director with the intention of making a hiring decision in January. For continuity, Executive Board election candidates are being included in the search and review process. The Search Committee and Carol Kuehn were asked to develop contract language for the position and bring it to the board.

Member Pricing Categories

- Entry-level member dues will be \$125 per year effective in 2016.
- A student member category was created, and dues were set at \$50 per year, effective in 2016.
- Effective in 2016, an electronic member category will be available, and dues will be \$175. All IAAO members who are interested are eligible for this pricing category.
- Also effective in 2016, both regular and associate member dues will be increased to \$190. In 2015, membership dues will remain \$175 for regular members and \$180 for associate members.

Education and Designation Project Plans

- Project plans were approved to develop the AAS Case Study Review Workshop, PPS Case Study Review Workshop, and the CMS Case Study Review Workshop.
- Review of Course 112 Income Approach to Valuation II to document the increased amount previously approved (\$17,740).
- Project plans 552 and 553 were revised to accurately reflect costs.
- The CAE Case Study Review Workshop rewrite was revised to accurately reflect costs.
- The RES Case Study Review Workshop rewrite was approved.

IAAO and the Future

- A Body of Knowledge project plan was sent back to the Infrastructure Review Special Committee for further development and subsequent board review at the January 2015 meeting.

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Assessment Transparency and Professional Sports Facilities

Geoffrey Prophter

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.

Most stadiums in the five professional sports leagues in the United States are constructed in part or in full with public dollars (Baade and Matheson 2012). Construction subsidies reduce the fixed costs of operating a sports team; however, considerable research indicates facilities produce negligible, if any, tangible economic benefits (Coates 2007). Franchise owners are thus the primary benefactors of subsidized construction. Moreover, subsidies include not only construction but also municipal services, land acquisition, capital improvements, and property tax exemptions (Long 2013). By one estimate, for half of the active professional facilities property tax exemptions alone cost local governments at least \$263 million in fiscal year 2013 (Prophter 2013).

Importantly, because these other tax expenditures are less salient than those for construction, standard economic theory supposes that rational but poorly informed taxpayers will support a marginal construction subsidy level that exceeds the subsidy's marginal benefit from hosting professional sports. That is, if taxpayers were fully aware of the true and full public cost of constructing and operating sports facilities, the negotiated public contribution to construction would decline. Because of the public's lack of awareness of the true cost of the subsidy, then, scarce public resources are allocated inefficiently.

The assessment community can encourage more efficient subsidy policymaking by improving the transparency of the assessment of sports facilities. Indeed, maximizing transparency is a professional obligation: the IAAO Code of Ethics dictates that members strive to satisfy obligations to organi-

zational transparency and accountability to the public good. Unfortunately, scholars and practitioners do not appear to give assessment transparency as much attention as other dimensions of assessment administration such as assessment quality. A keyword search of the *Journal of Property Tax Assessment and Administration* (JPTAA) over the last 10 years, for instance, revealed only one article promoting the virtues of and need for transparent assessment administration. Turner (2008, 5) opined that,

Any perception of unfairness, inequity, or lack of customer-centered and transparent assessment service delivery can quickly undermine public confidence in and support for the assessment organization's mandate.

Sheffrin's recent text (2013) on tax justice also argues for greater transparency in property tax assessment.

In an effort to improve the transparency of stadium assessments, this article reports the results of a survey of online assessment records for the current inventory of 115 professional sports facilities in the United States. Data on the type and accessibility of publicly available assessment information were collected from each hosting jurisdiction in order to identify weaknesses and promising practices in assessment administration transparency.

First, this article reviews the characteristics of an ideal online assessment record. Insights by practitioners and scholars are drawn upon to support the ideal criteria. Then the results of the survey are discussed in detail. The number of facilities and jurisdictions meeting the criteria are tallied and presented; jurisdictions with promising practices are identified.

Characteristics of an Ideal Online Assessment Record

To assess the transparency of online assessment records for the current stock of professional stadiums, a set of evaluative criteria is required. Essays in JPTAA provide guidance on the characteristics of an ideal assessment record. No less than three criteria are paramount for achieving a level of transparency consistent with a professional obligation of accountability to citizens: accessibility, integration, and comprehensiveness

Accessibility

The first characteristic is accessibility. Access to government records, as Davis (2007, 13) notes,

is a bedrock principle of democratic government, one that has steadily acquired greater importance as computer technology and the complexities of modern life have swelled recordkeeping at federal, state, and local government levels.

Turner (2008) further argues that online access to property tax assessments can promote society's economic welfare. Unsurprisingly, providing access to assessment records, except when disclosure is prohibited by law, is an ethical rule under IAAO professional duty guidelines (see Canon 1, ER 1-4).

Thus, the criterion of accessibility demands satisfying a "one property, one parcel, one account" rule, which includes synchronizing multiple subaccounts to a master account.

In the context of sports facilities, accessibility is satisfied when stadium parcel records can be located easily. In general, locating a particular tax record from an online database is made simpler with various search functionalities. Most jurisdictions, for instance, allow database searches by parcel number, owner name, or owner address. For these sports facilities specifically, search parameters, however, may not be helpful to citizens for a variety of reasons. In the case of name and address searches under public ownership, citizens would need to filter through every publicly owned parcel to identify a facility. Identifying the legal owner in case of private ownership is also problematic because the owner on record is often a limited liability company rather than a particular individual identified in newspapers or other media.

Records should include a property address search function rather than only an owner address search function. In addition, the address on record should reflect the address advertised on the facility's website, the most reasonable place an otherwise

uninformed citizen might begin a search for an address. To avoid the difficulty of identifying a record with a name search in the case of public ownership, assessment databases should be searchable by keywords in a property's description.

Moreover, citizens could obtain a facility's parcel number from the assessor's office, but requiring this as a first step hinders accessibility and undermines the public benefits of providing 24/7 online access to assessment records. A range of administrative decisions further complicates the citizen's request. For example, there is a possibility that parcels are not consolidated when a tax-exempt stadium is built atop multiple extant parcels. Also, if land and improvements are assessed separately, they may be given unique parcel identifiers with separate tax accounts. If personal property taxes are levied, personal property assessment records may be severed from real property records. Thus, the criterion of accessibility demands satisfying a "one property, one parcel, one account" rule, which includes synchronizing multiple subaccounts to a master account.

Integration

Integration is the second characteristic of ideal online assessment records. Modern technology allows for the integration of assessment records, tax records, and geographic information systems (GIS). In his thorough discussion of GIS and assessment administration, Wadsworth (2006) notes that integrating technologies offers the assessment community numerous advantages for customer service, including improved public access to data and improved communication to and with the public. The hallmark of a well-constructed integrated assessment website experience is its user friendliness.

Citizens can benefit from an integrated assessment system by using GIS to identify a stadium parcel (rather than relying on direct communications with the assessor's office). When hyperlinks are embedded in the GIS interface, assessment and tax records are located easily. An integrated system implies that users could perform this process in reverse—that assessment records have embedded GIS-based parcel maps and property levy information, or at least hyperlinks to both.

Comprehensiveness

Finally, stadium assessment records should be comprehensive. A comprehensive record contains all the assessment data a user would reasonably need to determine the magnitude of a property tax exemption and the resulting tax savings for the current assessment year and over time. This information allows the user to quickly judge whether the return on the public's investment is worthwhile. As such, a comprehensive stadium assessment record is the most critical dimension of assessment transparency.

Assessment records for professional sports facilities can be satisfactorily comprehensive by including at least six pieces of information:

1. Market values (if the state requires fractional assessments)
2. Historic valuation data
3. Appeals activity (appropriate only for privately owned facilities)
4. Type of valuation method used
5. Estimated tax savings from an exemption
6. Other tax payments such as possessory interest taxes or payments in lieu of taxes.

Tax savings and other tax payments are arguably the most pertinent, since the former is easily understood by the layperson, while the latter provides a more complete picture of franchise owners' tax obligations.

Importantly, comprehensive records should include regularly updated facility assessments. As Netzer (2002, 64) observes, "spending time valuing tax-exempt properties is wasteful, since it serves no public purpose." With respect to public enterprises such as professional sports facilities, Netzer misses the point. By failing to faithfully assess and then faithfully reassess facilities, assessors contribute to the undervaluing of stadium subsidies. On the contrary, then, not only should assessors regularly reassess sports facilities, but they should also itemize assessments for land, improvements to land, and ancillary special improvements made over time. Wilmath (2003) provides a thorough guide to valuing sports facilities.

Current Assessment Reporting Practices

Online assessment records for the current stock of 115 sta-

Table 1. Number of assessed facilities by sports league, tax year 2013

Type of Facility	Number of Facilities	Facilities Not Exempted	Facilities with Full or Partial Exemptions		
			Land and Facility Assessed	Only Land Assessed	Not Assessed
Single Use					
MLB	29	2	17	2	8
MLS	12	2	4	3	3
NFL	28	1	16	4	7
NBA	20	3	7	2	8
NHL	15	1	11	1	2
Joint Use					
MLB/NFL	1	0	0	0	1
MLS/NFL	2	0	2	0	0
NBA/NHL	8	2	5	0	1
Total	115	11	62	12	30

Key: MLB = Major League Baseball; MLS = Major League Soccer; NFL = National Football League; NBA = National Basketball Association; NHL = National Hockey League

diums in the five U.S. major sports leagues were located. Based on the evaluative criteria of accessibility, integration, and comprehensiveness, data on how each of the 59 assessing jurisdictions report assessments were collected. Not every facility is assessed, however. Data on the number of facilities assessed by sports league in tax year 2013 is detailed in Table 1. Of the 115 current facilities, 30 of them, in 18 assessing jurisdictions, are not assessed. Moreover, of the remaining 85 facilities, for only 12 of them is land assessed. Thus, the magnitude of property tax subsidies for more than a third of professional stadiums and arenas in the United States is hidden from taxpayers.

Table 2. Assessed values and exemptions for sports facilities, tax year 2013

Facility	Sport	Total Assessed Value (\$ million)	Exemption (\$ million)	Facility Assessed
American Airlines Arena	NBA	\$138.4	\$138.4	Yes
American Airlines Center	NBA/NHL	199.1	199.1	Yes
Amway Center	NBA	282.1	282.1	Yes
Arrowhead Stadium	NFL	104.0	104.0	Yes
AT&T Stadium	NFL	904.5	904.5	Yes
Bank of America Stadium	NFL	198.0	63.0	Yes
BankAtlantic Center	NHL	369.3	369.3	Yes
Barclays Center	NBA	353.7	353.7	Yes
BBVA Compass Stadium	MLS	330.7	330.7	Yes
Bradley Center	NBA	50.0	50.0	Yes
Bridgestone Arena	NHL	22.8	22.8	No
CenturyLink Field	NFL/MLS	605.2	605.2	Yes
Chase Field	MLB	43.8	43.8	Yes
Citi Field	MLB	565.2	565.2	Yes
Citizens Bank Park	MLB	121.6	121.6	Yes
Columbus Crew Stadium	MLS	9.9	9.9	Yes
Consol Energy Center	NHL	210.3	210.3	Yes
Coors Field	MLB	27.9	27.9	Yes
Dodger Stadium	MLB	84.4	0.0	Yes
Edward Jones Dome	NFL	6.2	6.2	No
Energy Solutions Arena	NBA	13.1	13.1	No
EverBank Field	NFL	159.9	159.9	Yes
FC Dallas Stadium	MLS	13.5	13.5	No
FedEx Field	NFL	195.0	0.0	Yes
Fenway Park	MLB	79.9	0.0	Yes
First Niagara Center	NHL	145.9	145.9	Yes
FirstEnergy Stadium	NFL	103.3	96.7	Yes
Georgia Dome	NFL	104.2	104.2	Yes
Gillette Stadium	NFL/MLS	456.4	456.4	Yes
Globe Life Park	MLB	200.7	200.7	Yes
Great American Ballpark	MLB	119.3	115.5	Yes
Heinz Field	NFL	570.4	570.4	Yes
Honda Center	NHL	48.1	0.0	Yes
Jobing.com Arena	NHL	25.9	25.9	Yes
Lincoln Financial Field	NFL	136.0	136.0	Yes
LP Field	NFL	7.0	7.0	No

(table 2 continued on next page)

Table 2. Assessed values and exemptions for sports facilities, tax year 2013 (continued)

Facility	Sport	Total Assessed Value (\$ million)	Exemption (\$ million)	Facility Assessed
M&T Bank Stadium	NFL	298.0	298.0	Yes
Madison Square Garden	NBA/NHL	411.9	411.9	Yes
Marlins Ballpark	MLB	397.5	397.5	Yes
Mercedes-Benz Superdome	NFL	0.1	0.1	No
MetLife Stadium ^a	NFL	992.0	992.0	Yes
Miller Park	MLB	37.6	37.6	Yes
Minute Maid Park	MLB	45.6	45.6	No
Moda Center	NBA	64.5	0.0	Yes
Nassau Veterans Memorial Coliseum	NHL	2.7	2.7	Yes
Nationals Park	MLB	1,000.0	1,000.0	Yes
Nationwide Arena	NHL	47.2	42.3	Yes
Oriole Park at Camden Yard	MLB	255.6	255.6	Yes
Paul Brown Stadium	NFL	138.9	132.6	Yes
Pepsi Center	NBA/NHL	55.8	20.0	Yes
Philips Arena	NBA	68.4	68.4	Yes
PNC Arena	NHL	225.0	225.0	Yes
PNC Park	MLB	452.7	452.7	Yes
PPL Park	MLS	1.2	1.2	No
Progressive Field	MLB	71.9	61.7	Yes
Providence Park	MLS	60.1	60.1	Yes
Prudential Center	NHL	383.0	383.0	Yes
Quicken Loans Arena	NBA	43.8	39.6	Yes
Ralph Wilson Stadium	NFL	169.8	169.8	Yes
Raymond James Stadium	NFL	10.7	10.7	No
Red Bull Arena	MLS	34.5	0.0	Yes
Reliant Stadium	NFL	370.4	370.4	Yes
RFK Stadium	MLS	135.4	135.4	Yes
Rio Tinto Stadium	MLS	11.8	11.8	No
Safeco Field	MLB	588.9	588.9	Yes
Scottrade Center	NHL	3.8	3.8	Yes
Sleep Train Arena	NBA	31.8	0.0	Yes
Sporting Park	MLS	8.3	0.0	Yes
Sports Authority Field at Mile High	NFL	118.7	118.7	Yes
Sun Life Stadium	NFL	140.9	0.2	Yes
Tampa Bay Times Forum	NHL	60.8	60.8	Yes
TD Garden	NBA/NHL	26.9	0.0	Yes
The Palace at Auburn Hill	NBA	15.9	0.0	Yes
Toyota Center	NBA	23.3	23.3	No
Tropicana Field	MLB	86.5	86.5	Yes
Truman Sports Complex	MLB	70.8	70.8	Yes
Turner Field	MLB	80.5	80.5	Yes
United Center	NBA/NHL	17.6	0.0	Yes
University of Phoenix Stadium	NFL	97.7	97.7	Yes
US Airways Center	NBA	19.9	19.9	Yes
Verizon Center	NBA/NHL	360.7	360.7	Yes
Wells Fargo Center	NBA/NHL	74.9	74.9	Yes
Wrigley Field	MLB	8.0	0.0	No
Xcel Energy Center	NHL	126.0	126.0	Yes
Yankee Stadium	MLB	861.7	861.7	Yes

^a Assessed value does not include taxable practice facility adjacent to the stadium.

Tax year 2013 valuation data for the 85 facilities with assessments are presented in Table 2. In some instances, such as Chicago’s Wrigley Field, only special improvements are assessed. The total assessed value column does not include special improvements; doing so would lead to the conclusion that more jurisdictions fully assess facilities than actually do. In addition, comparisons of assessed value should be made across jurisdictions, because some have fractional assessment systems and the data are not adjusted to fair market value.

The data in Tables 1 and 2 are an improvement on similar data presented in 2013 (Propheter 2013). Using these parcel data as a starting point, additional facility assessments were identified. Moreover, since that initial report, a number of jurisdictions have removed facility assessments from their roll while others have added them, changes that are reflected in this study’s data.

By using the assessment transparency evaluative criteria, the number of facility assessment records and the number of jurisdictions satisfying each was determined. Table 3 details the results of the survey for the 85 assessed facilities. The table includes tallies by facility and jurisdiction. This strategy was chosen because it is the least ambiguous means of presenting the data. Since some criteria vary within jurisdictions (such as the “one property, one parcel, one account” rule) and others vary across jurisdictions (such as the extent of GIS integration), presenting the data exclusively by either facility or jurisdiction would omit meaningful comparative data about the extent of assessment reporting practices.

Accessibility

With respect to accessibility, few jurisdictions fail the “one property, one parcel, one account” rule. More precisely, 14 jurisdictions have not consolidated parcels or accounts for 17 facilities, leaving taxpayers with the difficult task of locating multiple tax accounts to estimate the property tax subsidy of an exemption. Indeed, the survey also reveals that only three jurisdictions synchronize separate accounts to a master account, thus allowing taxpayers a more efficient user experience. Of the 17 facilities that have not consolidated parcels, 9 have multiple parcels while the other 8 have separate accounts for land and improvements. The number of underlying parcels ranges from 2 to 18 (Minute Maid Park). It is unlikely the aggregate value of the underlying parcels equals the value of the facility’s land and improvements, particularly since sports facilities tend to be estimated via the cost approach. Yet in such instances summation remains the public’s best estimate of the property tax subsidy.

Jurisdictions perform relatively better on address search functionality. Address search functions provide online record users arguably the easiest means of locating assessment data, yet for the ease of the user experience facility addresses on

file should be the same as those posted on team websites. For almost two-thirds of the 85 facilities, assessment records can be accessed with the address data posted on team websites. The remaining third require that taxpayers use GIS applications or inquire with the assessor to obtain a parcel identification number. It is in these instances that a keyword search of a property’s description would be useful. However, none of the jurisdictions examined provides for keyword searches.

Integration

A GIS interface integrated with assessment and tax records provides users the most efficient means of evaluating facility property tax subsidies. The survey found that most jurisdictions adequately integrate GIS with at least one of type of record. More precisely, three-quarters of facilities’ assessment data can be located through the GIS interface; however, less than one-quarter have their tax data accessible through this route. Since most jurisdictions (31) provide access to tax bills through assessment records, the absence of levy data, or a hyperlink to levy data, in the GIS interface is only a minor inconvenience. Nonetheless, including levy data, or a direct hyperlink to it, remains an opportunity for jurisdictions to improve transparency.

Comprehensiveness

On the final criterion, comprehensiveness, jurisdictions scored strongly on four transparency characteristics: inclusion of market value (applicable in states with fractional as-

sessments), levy data, historical valuation data, and periodic reassessment. The last two are deserving of further clarification. Historical assessment data give taxpayers an opportunity to determine subsidy levels over time; taxpayers can view historical data for 73 of the 85 assessed facilities. The range of historical data is 1–30 years, and the vast majority of jurisdictions provide assessment histories for 3 to 5 years. Failing to reassess facilities periodically, meanwhile, reduces the perceived opportunity cost of a property tax subsidy in real terms. Periodic reassessments are problematic for a third of facilities; the majority of jurisdictions reassessed stadiums and arenas at least once between 2010 and 2013.

In addition to strengths, the survey identified four areas for improvement. Including estimates of property tax savings due to any exemptions, listing alternative tax payments such as PILOTS (payment in lieu of taxes) and possessory interest, and identifying the valuation approach would greatly improve the comprehensiveness, and hence the transparency, of online assessment records. A few jurisdictions currently include some of these items, but no jurisdiction includes all of them. The fourth area for improvement is the inclusion of appeals activity, which two jurisdictions provide. Since appealing an assessment of a publicly owned facility would be inefficient, however, this item seems reasonable only for taxable facilities.

Jurisdictions with Promising Practices

Based on the evaluative criteria, a handful of jurisdictions with promising practices could serve as models to emulate.

Table 3. Online assessment record survey results

Criterion	No. of Facilities	No. of Jurisdictions
Accessibility		
Does the facility have multiple separate parcels?	17	14
If the facility has multiple tax accounts, are they synchronized to a master account?	7	3
Is the facility’s address on record the same as advertised on its website?	52	33
Integration		
Does the GIS interface include assessment and/or tax data, or direct hyperlinks to such data?	64	35 ^a
Comprehensiveness		
Does the assessment record include . . .		
actual market value?	30	11 ^b
levy data or direct hyperlinks to tax bills?	56	31 ^c
historical valuation data?	73	37
estimated tax savings due to exemption?	2	2
appeals activity?	4	2
possessory interest of PILOT levies?	3	3
type of valuation method?	1	1
Was the facility and land reassessed between 2010 and 2013 tax years?	54	35 ^d

^a Philadelphia GIS access is through subscription only.

^b There are 40 facilities in total in states with fractional assessment. For all other facilities, assessed value equals market value.

^c Property tax billing records in Wayne County, Michigan, and Oakland County, Michigan, are available for a fee.

^d The following facilities were not placed on tax rolls fully until after 2010: Marlins Ballpark, Barclays Cnter, and Amway Center. Xcel Energy Center was not assessed in 2010.

Given the small size of the sample, no conclusion is made regarding the uniqueness of the practices to jurisdictions without professional sports franchises. Indeed, the survey showed that many jurisdictions in the sample perform strongly on some dimensions of transparency. The jurisdictions highlighted next, though, perform exceptionally well with respect to at least one of the evaluative criteria.

A logical starting point for a reasonably well-informed citizen for locating property-specific assessment and tax data is the assessing jurisdiction's GIS. Thus, a user-friendly GIS interface is vital for satisfying the assessment community's professional obligation to the public. Advances in technology, such as Silverlight-based parcel viewers, have made GIS navigation painless with minimal load times compared to relatively older land information systems. Parcel viewers for Jackson County, Missouri, and Multnomah County, Oregon, capture the user friendliness of modern engines well.

Assessment transparency is a professional obligation, but it tends to be overlooked in the pursuit of satisfying other obligations such as producing high-quality assessments.

On the integration and access criteria, St. Louis, Missouri, and Orange County, Florida, demonstrate that online assessment records can be thorough and well organized, outcomes that improve citizens' consumption of complex and detailed data. On comprehensiveness, Tarrant County, Texas, Hamilton County, Ohio, Nassau County, New York, and Pinellas County, Florida, stand out. Aside from Nassau County, these jurisdictions also host quite user-friendly GIS. Meanwhile, Mecklenburg County, North Carolina, is one of the few jurisdictions that synchronize multiple assessment accounts. A property search or a parcel identification search displays related accounts, which is particularly useful in jurisdictions that assign unique parcel identification numbers to land, improvements, and other tax obligations such as possessory interest. Multnomah County and St. Louis also synchronize disparate accounts, though presentation differs across the three. In the case of St. Louis, for instance, related accounts are integrated into the webpage, allowing a user to view other assessed values without having to reload a page.

Conclusion

Assessment transparency is a professional obligation, but it tends to be overlooked in the pursuit of satisfying other obligations such as producing high-quality assessments. In an effort to encourage greater assessment transparency, the current inventory of assessments for professional sports facilities

was researched, and data on how jurisdictions organize and report assessment records were collected. Records were evaluated against a set of criteria an ideal online assessment records would satisfy. While the survey focused on professional sports facilities, it is hoped the results will improve assessment transparency for all properties more generally.

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Geoffrey Propheter is a property tax analyst with the New York City Independent Budget Office. His research on sports facilities has appeared in the *Journal of Urban Affairs*, the *Journal of Sports Economics*, and *Public Budgeting & Finance*. The opinions expressed in this article are those of the author and not of the Independent Budget Office or the City of New York.



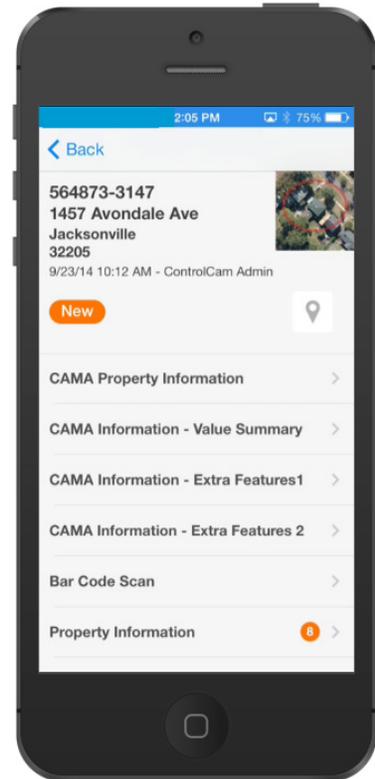
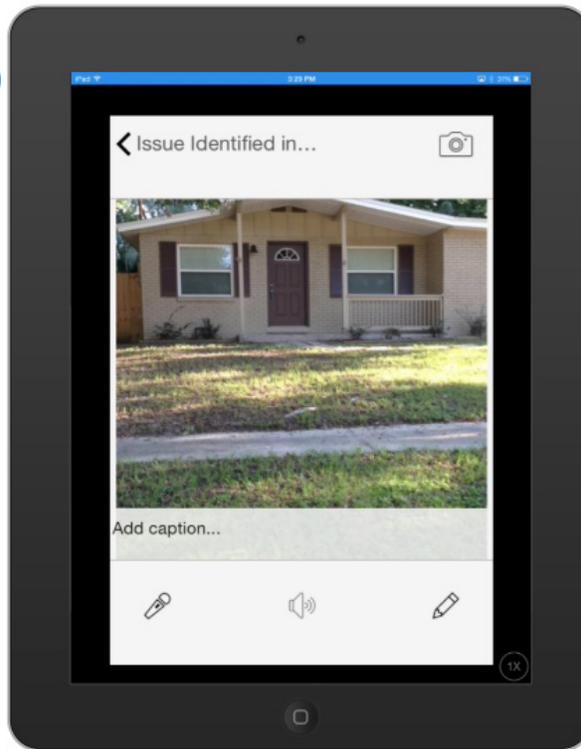
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WORLD NEWS

B2B: New fiscal law to increase the property tax burden on individuals (published November 10, 2014)

by Natalia Stenina, *The Moscow Times*

Article discusses changes to the Russian Tax Code slated to go into effect January 1, 2015. The changes take a step toward valuing property at closer to market value rather than using an inventory value system.

For more information, go to: <http://www.themoscowtimes.com/news/article/b2b-new-fiscal-law-to-increase-the-property-tax-burden-on-individuals/510880.html>.

INDIANA

Study group: kill personal property tax for small businesses (published November 13, 2014)

by Lesley Weidenbener, *The Statehouse File, NUVO*

Article discusses a legislative study committee recommendation in Indiana to eliminate the property tax for some companies in the state. The recommendation is intended to streamline the personal property tax system and eliminate taxes where it costs companies more to process the tax forms than what is actually paid.

For more information, go to: http://www.nuvo.net/indianapolis/study-group-kill-personal-property-tax-for-small-businesses/Content?oid=2970522#.VGu3F_nF_9o.

PENNSYLVANIA

Pennsylvania gets no property tax from expanding pipelines (published November 17, 2014)

by Susan Phillips, *NPR*

Article discusses differences in tax policy that exempt property taxation of oil pipelines in Pennsylvania while New Jersey collects significant property tax income from pipelines.

For more information, go to: <https://stateimpact.npr.org/pennsylvania/2014/11/17/pennsylvania-gets-no-property-tax-from-expanding-pipelines/#main>.

WASHINGTON

Remarriage disqualified property owner for exemption applicable to widows or widowers of veterans (published November 19, 2014)

by CCH State Tax Review Headlines, Vol. 75, Issue 47

Abstract summarizes a court decision in Washington state for a property owner who remarried after the death of his veteran spouse and did not qualify for property tax assistance after subsequent dissolution of the second marriage. *Mumford v. State of Washington Department of Revenue*, Washington Board of Tax Appeals, No. 82071, October 14, 2014.

For actual decision, go to: <http://bta.state.wa.us/weblink8/docview.aspx?id=125017>

NEBRASKA

Property tax reform also affects state school funding (published November 15, 2014)

by Zach Pluhacek, *Lincoln Journal Star*

Article discusses efforts by members of the Nebraska Farm Bureau to push for legislation to reform property taxes, particularly on agricultural properties. Part of the discussion includes finding a balance that still satisfies school funding requirements.

For more information, go to: http://journalstar.com/news/property-tax-reform-also-affects-state-school-funding/article_3c7a4538-1307-5cf7-9300-ad7b2f2a1e8f.html.

NEW JERSEY

Why half of New Jerseyans say they want to leave the state (published November 11, 2014)

by Claude Brodesser-Akner, *NJ Advance Media for NJ.com*

Article discusses a New Jersey poll that cites property taxes as a primary reason more than half the polled residents might eventually leave the state.

For more information, go to: http://www.nj.com/politics/index.ssf/2014/11/post_68.html.

KANSAS

Kansas property tax consultant war—A sign of things to come? (published November 10, 2014)

by Peter J. Reilly, *Forbes*

Article discusses a controversy between nonattorney Kansas property tax consultant Jerry Chatam and the Kansas Court of Tax Appeals (COTA) that resulted in the redefinition of COTA as the Board of Tax Appeals (BOTA) and a limiting of its powers. Implications of the legislation effecting the change are that nonattorney tax representatives will be allowed to continue to represent their clients in Kansas.

For more information, go to: <http://www.forbes.com/sites/peterjreilly/2014/11/10/kansas-property-tax-consultant-war-a-sign-of-things-to-come/>.

OHIO

Ohio farmers see big jump in property taxes (published November 8, 2014)

by Associated Press

Article discusses property taxes on agricultural properties in Ohio and the Midwest. The Ohio current agricultural use value (CAUV) program is creating an increase in property taxes because of previous productive agricultural years. Most farmers appear to be waiting out the cycle with the anticipation of values returning to lower amounts in future years.

For more information, go to: http://www.observer-reporter.com/article/20141108/NEWS05/141109517#.VGvfHPnF_9o.

General Discussion List—Preschools and Day Care Centers

Q. Ellen G. Berkshire, Esq., Chicago, IL

I'm curious as to how other states (I'm in Illinois) treat preschools and day care centers for purposes of property tax exempt status? Thanks for any input.

A. Kevin Ternes, CAE, Minot, ND

North Dakota has the following option in its state statutes: The governing body of the city, for property within city limits, or of the county, for property outside city limits, may grant a property tax exemption for the portion of fixtures, buildings, and improvements, used primarily to provide early childhood services by a corporation, limited liability company, or organization licensed under chapter 50–11.1 or used primarily as an adult day care center. However, this exemption is not available for property used as a residence.

A. Robin Reaves, CFE, Ocala, FL

Florida allows exemption as an educational institution for preschools and day care facilities under certain circumstances. The

property must be owned by an educational institution and be accredited as a "Gold Seal Quality Care" facility. The Gold Seal program, which is overseen by the Department of Children and Families, awards this designation to facilities that provide school readiness and early learning programs and meet certain educational standards for staff.

A. Mike Miano, Boston, MA

While it may not be totally to your point of "exempt status," Massachusetts allows for day care facilities to be treated the same as residential properties for tax purposes, essentially, taxed at the residential rate in those municipalities who have adopted classification.

A. Linda Cwiek, North Kingstown, RI

In Rhode Island, a preschool or day care center is taxable unless run by an organization that is already tax exempt by state law.

A. Steven Hopkins, Bear, DE

In New Castle County, Delaware, a preschool or day care center is taxable unless run by an organization that is already tax exempt, same as Rhode Island.



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Educational Exemptions

A private school campus that stood vacant while its owner attempted to lease it to another educational institution should still be considered for an educational exemption, the New Mexico Supreme Court has ruled. The supreme court's decision reverses both the district and appellate courts, which denied the exemption because the vacant property was not "currently and actively" being used for education.

The taxpayer owned a 26-acre school campus that had been leased to a private school for 15 years. When that school closed, the taxpayer actively sought to find another educational institution to lease the property. In fact, the owner turned down an offer by a film production company to lease the facilities at a monthly rent 50 percent higher than the previous school tenant. One private school was interested in the site, but negotiations fell through. The owner eventually put the property up for sale as residential or commercial property but continued to search for a suitable education lessee. After two years, the owner was finally able to lease the campus to a private elementary school although, as he claimed, at a rate below market. Two years later, the campus was sold to a college preparatory academy, which occupies the site today.

The initial sale listing is what triggered the property's placement on the tax rolls.

To determine whether the school campus qualified for the educational exemption while vacant, the supreme court said that the property's current use should be examined against the three-part test applied to operating educational institutions. First, was the educational use "direct, immediate, primary, and substantial"? Second, did the use "embrace systematic instruction in any and all branches of learning"? Third, did the use "impart a substantial public benefit"? Under New Mexico law, a qualifying institution can be a nonprofit or even a for-profit entity so long as the property is being used "primarily and substantially" for an educational purpose.

The vacant property met the first criterion, the court said, because during the tax year in question, the property owner was actively seeking out and negotiating with private schools to continue the property's educational use. The fact that the owner turned down a profitable offer from a commercial tenant, stating as his reason his commitment to preserving the campus as an educational institution, further demonstrates the owner's intent to maintain the property's educational use, the court said.

For these same reasons, the court said, the vacant property met the second criterion. The taxpayer embraced systematic instruction, the court explained, through his negotiations with possible school tenants—institutions that pro-

vide systematic instruction in many areas of learning.

By insisting that the school campus remain in educational use, the property owner was able to provide a substantial public benefit and thus meet the third criterion, the court said. Few campuses in the area are as large as the taxpayer's site, the court noted. The taxpayer used the campus as an "educational magnet" to attract potential schools to the area. As a result of the owner's persistence, one school eventually leased the campus and another subsequently purchased it, thereby enabling hundreds of students to be educated on the site.

In this case, the taxpayer had used the property for an educational purpose, he had refused to use it for a noneducational purpose, and he had been actively negotiating with other educational institutions to relocate to the property, the court stated. Flexibility should be employed in determining qualification for exemption, the court opined, particularly when the exempt use has been hindered due to a reasonable cause, whether it be facilities expansion, reconstruction after a fire, or any of countless other setbacks.

(*Cavu Co. v. Martinez*, Supreme Court of the State of New Mexico, Opinion Number: 2014-NMSC-029, August 4, 2014)

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The Impact of Prop 13 on Effective Tax Rates in California

Norman G. Miller and Michael A. Sklarz

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 was adapted from a presentation made at the 2014 IAAO Annual International Conference on Assessment Administration.

Proposition 13 has been in effect in California since 1978. This policy limits increases in property taxes to no more than 2 percent per year. It also requires effective property taxes, defined as the total paid per year, to be no more than 1 percent of property market value. Because of the ability to pass on the benefits of Prop 13 to the next generation the longer Prop 13 survives, the greater the disparity, between what the earliest beneficiaries pay in property taxes each year and new open market home purchases.

Regardless of whether or not you agree with Prop 13, it is interesting to stop and pause and ask just how Prop 13 has affected real estate markets and what people actually pay today in effective property tax rates as of mid-2014? We appraised all the homes in San Diego County using an automated valuation model (AVM) from Collateral Analytics. Then we divided this value estimate into the annual property taxes actually paid. While we found some extremes, we then grouped homes by neighborhoods with 10–20 neighborhoods per zip code. The following are our findings.

- The average effective property tax rate in the county is 64.4 percent of the 1 percent assessment rate (see figure 1, in which 1.0 on the horizontal axis is a 1 percent effective property tax rate.)
- 4.6 percent of neighborhoods pay more than an average

1 percent effective property tax rate, presumably because property values have fallen and lower reassessments have not kicked in yet.

- 22.4 percent of all households pay less than 50 percent of the 1 percent effective property tax rate with some households paying just a fraction of that.
- In neighborhoods with an average effective property tax rate less than 50 percent of the 1 percent full assessment rate, the turnover of housing is about a third of that for fully taxed neighborhoods (see figure 2).

Implications

Over time the disparity between households paying full property tax assessments and a fraction of the full assessment will grow. The average effective rate in San Diego County, which perhaps is indicative of the rest of California’s coastal cities, is 64 percent of the fully assessed rate. This rate will continue to drop over time as new beneficiaries continue to hold onto homes rather than sell them to new owners subject to full assessment. The present value of saving thousands of dollars in annual property taxes not only discourages external improvements and encourages secret internal capital improvements, so as not to trigger a new assessment, but also results in these homes being much more valuable to the

Figure 1. San Diego neighborhoods frequency by effective property tax rate

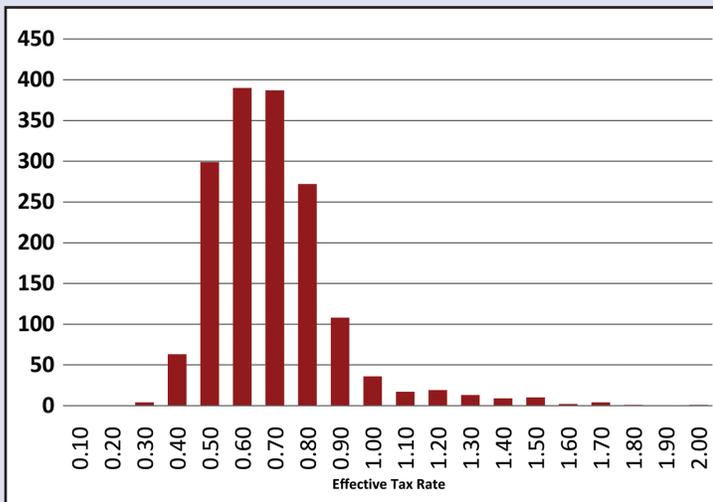
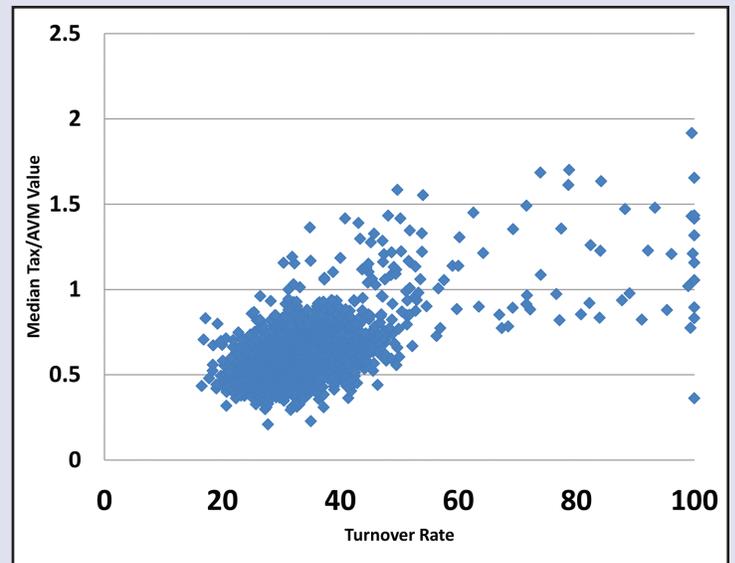


Figure 2. Turnover rate of homes (percent of total inventory sold between 2005 and mid-2014) versus effective property tax rate



occupants. For example, saving \$3,000 a year discounted as a risk-free investment at 3 percent is worth \$100,000 dollars to the owners.

All these disparities in property taxes are well-known. What may not be as well-known is how the lower effective property tax rates over time reduce turnover rates. California already has well-below-normal turnover rates for existing housing compared to other states, but these rates will only decline over time. In the absence of Prop 13 people would move much more frequently, downsizing or upsizing, and fixing up new homes. The revenues to the brokerage industry are at least a third less than normal as of 2014 as a result of Prop 13. The same can be said for moving companies and all the associated industries that benefit from the sale of housing, from appraisers to mortgage lenders to title companies.

Proponents of Prop 13 suggest that elderly will be pushed from their homes if California would ever repeal the law, and there is no politician willing to suggest changing the law, but it is really the grandsons and granddaughters who will

be yelling the loudest for a maintenance of this law. Prop 13 will continue to spread the tax burden towards the newest of our home buyers, or require other forms of taxes, and subsidize those lucky enough to own a home in California in 1978 but did you know it also significantly reduces the supply of housing put up for sale?

FOUNDATION NEWS

Valuation Issues in Separating Tangible and Intangible Assets Roundtable

October 2, 2014 • Washington, DC

The Appraisal Practices Board (APB) distributed a concept paper in September 2013 on Valuation Issues in Separating Tangible and Intangible Assets in appraisal assignments.

The Appraisal Foundation is conducting a roundtable to discuss Valuation Issues in Separating Tangible and Intangible Assets where you can provide feedback on the methods and techniques used in the valuation of real estate that includes personal property and/or business value.

Thursday, October 2, 2014, 1:00 pm– 5:00 pm
Loews Madison Hotel

1177 15th Street NW, Washington, DC 20005

If you plan to attend the meeting, contact Staci Steward, Practices Board Administrator at 202-624-3052 or via e-mail at staci@appraisalfoundation.org.

You can reserve a room with the Loews Madison Hotel by contacting them directly at 800-424-8577. Note that The Appraisal Foundation no longer reserves room blocks for meeting attendees. Attendees are responsible for making their own lodging arrangements.

The Appraisal Foundation (TAF) posts meeting materials on its website two weeks prior to the meeting. Registered participants may print copies if desired. TAF does not provide printed copies of meeting materials.

Norman Miller, Ph.D., is a professor at the Burnham-Moores Center for Real Estate at the University of San Diego. Previously, he was at the University of Cincinnati. He received his Ph.D. in finance and real estate from Ohio State University. He is active on the editorial boards of several national and international journals and is a past president of the American Real Estate Society. Dr. Miller has written numerous academic articles, books and articles on housing, brokerage, mortgage risk, valuation, and many other topics. His most recent book, *Commercial Real Estate Analysis and Investment*, with Geltner, Eicholtz and Clayton is the leading graduate-level textbook on a global basis. He has worked extensively with various trade associations and became one of the first Distinguished Fellows of NAIOP. He has worked with Michael Sklarz, President of Collateral Analytics, for over 20 years on various cutting-edge research projects. His research covers housing risk analysis, price forecasting, AVMs, and mortgage risk analysis. As a Homer Hoyt Land Use Institute Faculty and Board member based in North Palm Beach, Florida, he is involved with premier thought leaders in a think tank setting for annual conferences on real estate issues and trends. Professor Miller can be contacted at nmiller@sandiego.edu



Michael A. Sklarz, Ph.D., is Chairman and Chief Executive Officer of Collateral Analytics, Inc., and a Hoyt Fellow. Dr. Sklarz has more than 30 years of professional experience in real estate research, analysis, and real estate technology product development in the United States. Previously, Dr. Sklarz was Head of Analytics at Fidelity National Financial and Chief Valuation Officer for Fidelity National Information Solutions. Dr. Sklarz was also the Director of Research at Prudential Locations, Inc., where he helped pioneer the development of new analytic tools and databases to track and forecast the U.S. real estate market. Dr. Sklarz holds a B.S. in engineering mathematics from Columbia University and an M.S. and Ph.D. in ocean engineering from the University of Hawaii. Dr. Sklarz can be contacted at mksklarz@collateralanalytics.com



Conference Panel Examines the Legacy and Impact of Property Tax Reform

David K. Ginsborg

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.

The final plenary session of the IAAO Annual Conference in Sacramento, California featured a panel on a hot topic: Proposition 13, the 1978 landmark ballot initiative that many say sparked a national property tax revolution.

The four members of the plenary session panel were

- Joan Youngman, Esq., Senior Fellow and Chair of the Department of Valuation and Taxation at the Lincoln Institute of Land Policy, Cambridge, Massachusetts, who has studied and written extensively on property tax reform
- Terri Sexton, Ph.D., Professor of Economics at Sacramento State University, whose research has focused on the economic and fiscal impacts of state and local taxes, including a comprehensive study of Proposition 13
- Jon Coupal, President of the Howard Jarvis Taxpayers Association (the largest taxpayers association in California with a membership of over 200,000, the HJTA led the initiative campaign in 1978)
- Lawrence E. Stone, Santa Clara County (California) Assessor, who has 20 years of experience administering the post-Proposition 13 property tax program and directs an office responsible for a \$357-billion assessment roll. Stone was also mayor of the county's second-largest city in 1978 when Proposition 13 was passed.

As California Goes, So Goes the Nation

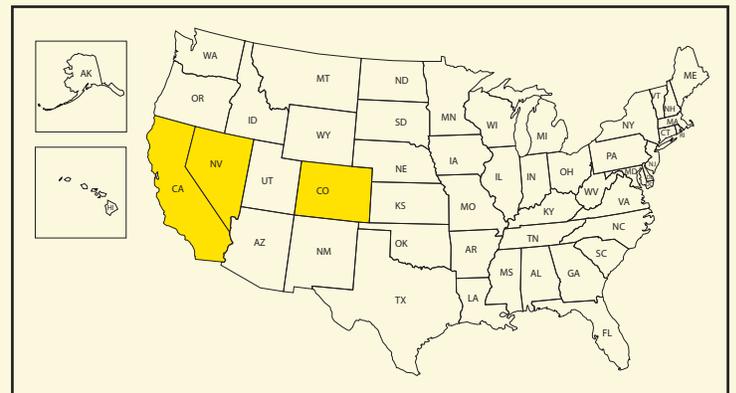
In the last 50 years, no ballot measure has had a more profound and dramatic impact on tax policy in other states than Proposition 13 in California. A number of states that

have implemented assessment limits from the 1980s to the 2000s is significant, as shown in figures 1 and 2. According to Professor Youngman,

The first five years after Proposition 13 saw more than 58 tax limitation ballot measures. Its influence was felt as early as November 1978, when Michigan passed the Headlee Amendment on tax and expenditure limitations, and as recently as June 30 of this year, when the New Mexico Supreme Court upheld that state's 3 percent annual valuation cap, with reassessment upon sale.

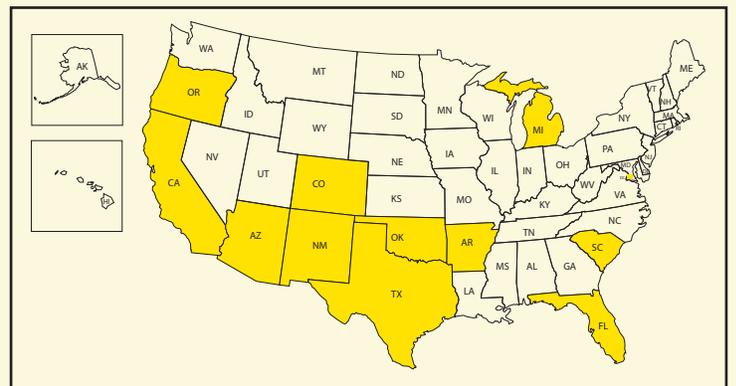
After the initial Headlee Amendment, Michigan instituted Proposal A, an assessment limit and a revision of its system of school finance. Colorado's 1992 'Taxpayer Bill of Rights,' or TABOR, restricted state and local revenues, and required taxpayer approval for tax rate increases. Oregon passed an

Figure 1. Assessment limits in the 1980s



Source: Significant Features of the Property Tax; Mullins and Cox 1995; Shadbegian 1999; various state sources.

Figure 2. Assessment limits in the 2000s



Source: Significant Features of the Property Tax; Mullins and Cox 1995; Shadbegian 1999; various state sources.



Plenary presenter Joan Youngman, Esq., presents her views on Proposition 13.

assessment limit known as Measure 50, while Florida's was termed 'Save Our Homes.' In Massachusetts, Proposition 2½ contained both a levy limit and a rate limit.

Proposition 13 shifted California from a market-based property valuation system to an acquisition-based valuation system, and altered the historic relationship between local and state government. Therefore, on the final day of the IAAO Annual Conference, in California's capital city of Sacramento, IAAO dedicated its morning plenary session to this modern-day property tax revolution. For 90 minutes the panelists discussed Proposition 13's legacy, impact, and continuing controversy, including an overview of why the initiative passed, its strengths, and its weaknesses, and explained the controversy from a *then and now* point of view. Finally, the panel discussed proposals to reform Proposition 13, such as creating a *split assessment roll*.

The session began with the panel discussing how property taxes are administered in California. Assessor Stone explained how the ballot measure rolled assessed values back to their 1975–1976 levels, reducing property tax revenue by 53 percent overnight. Each panel member addressed the provisions of Proposition 13:

- An annual 1 percent tax on the assessed value of real property (land and buildings) as well as personal property (boats, aircraft, equipment, and machinery). With voter approval, local governments may levy additional property taxes to repay locally issued debt for infrastructure.
- Real property is reassessed to market value when a change in ownership or new construction occurs. Only the improved portion of the property is reassessed to market value following new construction.
- The annual increase of assessed value is limited to 2 percent or the California inflation index, whichever is lower. Note that inflation has averaged 4.1 percent each year since 1978.
- Personal property—primarily equipment, machinery, boats, and aircraft—is assessed each year at market value after adjustment for depreciation.
- There are substantial exemptions for most real property owned by schools, religious organizations, charities, hospitals, and governments.
- Temporary reductions occur when market values fall below assessed values to reflect changes to market value. When the market value of a property becomes greater than its acquisition value (adjusted by the Proposition 13 inflation factor), the property is once again governed by Proposition 13 (California Legislative Analyst's Office 2012).

In addition to the basics of how Proposition 13 is administered, Stone pointed out two of the lesser known but arguably equally significant changes:

- The responsibility for allocating property taxes is shifted from local government to the state, in effect disconnecting a key ingredient critical for demanding accountability at the local level.
- A two-thirds vote is required to pass most local property tax increases at the ballot box.

Why Proposition 13 Passed

In 1978, California property owners experienced skyrocketing property values and rampant inflation. In the late 1970s home prices were soaring, and incomes, especially for many senior citizens on fixed incomes, were not keeping pace with property values and property taxes. In 1978, the median home price in California was \$70,890, up 164 percent from the \$26,880 median price in 1971, and far surpassing personal income growth. At the same time, local government agencies—cities, counties, schools—lowered the tax rate by just 2 percent.

Assessors, in performing their constitutional responsibilities, had no choice but to increase assessed values to reflect the rising market. Property owners feared that double-digit increases would continue unabated for years. At the same time, California had a surplus of \$3.8 billion, which would be more than ten times as much in today's dollars. The Proposition 13 *solution* to runaway property values and property taxes was to limit both the allowable rate of increase of assessed values and the tax rate.

Consequently, the longer a property is held, the greater the tax benefit. Because the market value of real property has increased at a significantly greater rate than the assessed value, with an annual limit of 2 percent there is a widening disparity between market values and assessed values. Stone said,

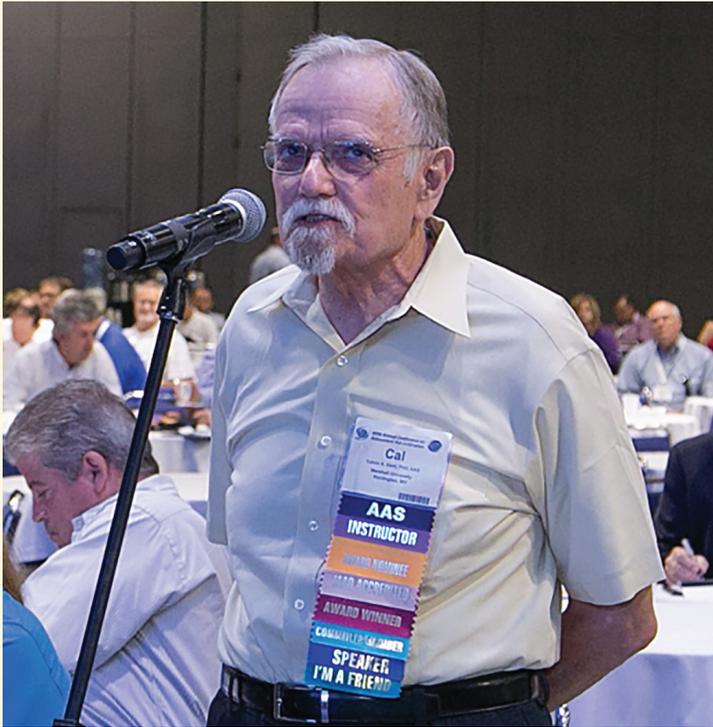
Last year, in Santa Clara County, the average sale price for a single-family residential property was \$875,000. By comparison, the average assessed value of a single-family home was \$571,000.

During times of steep inflation, the predictability of a property owner's tax liability was the cornerstone of the measure, but there were many trade-offs. Unfortunately, many of the trade-offs have resulted in an unfair and inequitable property tax system and been fodder for controversy and more recently a political backlash against the initiative, which for decades was considered untouchable.

As noted by Stone,

Proposition 13 awarded the same property tax relief to commercial and industrial property owners that it did to homeowners. Safeway, Bank of America, or Hewlett-

Packard weren't being taxed out of their facilities in 1978. Proposition 13, in my opinion, has created as many problems for first-time home buyers as it has solved for senior citizens on fixed incomes. Not only has it turned market-based economics upside-down, it has led to a myriad of new property tax laws, and shifted taxing authority to the state while leaving local government with the administrative responsibilities.



IAAO member Calvin Kent, Ph.D., addresses the panelists during the Q&A portion of the plenary session.

Coupal vehemently disagreed with Stone's assertion that Proposition 13 is an inherently unfair property tax system. In his comments Coupal asserted,

Proposition 13 treats equally those who purchase property of similar value at the same time. Unlike any other tax system in the country, it provides absolute certainty to homeowners and businesses as to what their tax bills will be in all future years. It prevents property owners' tax liability from the vagaries of the real estate market—something over which they had no control. Instead, the amount of property tax liability will depend almost exclusively on the voluntary act of purchase. The California Supreme Court recognized Proposition 13's inherent fairness shortly after its adoption by the voters in saying 'an acquisition value system...may operate on a fairer basis than a current value approach.'

Split Assessment Roll

While the panelists disagreed about the strengths and weaknesses of Proposition 13 and whether it was the best solution

to a serious and very real problem, they agreed that the major proposal to reform it, something called a *split assessment roll*, would be a disaster for California. A split roll would establish an assessment and property tax process for commercial properties that is different from residential properties. The concept would require all commercial and industrial properties to be reassessed to market value every year or two. As Professor Sexton noted, this approach is not uncommon in other parts of the country.

For example, Sexton noted,

Florida assesses homeowner property at acquisition value and all other property at market value, while 25 states use classification systems in which 15 states assess homeowner property at a lower percentage of market value than other property and 4 tax homeowner property at a lower rate than other property.

Essentially, the split roll attempts to identify nonvoting taxpayers (businesses) and assess them differently. Voters rejected it once, yet there is a growing political movement to try again at the ballot box in 2016. According to Stone,

The problem is that, while it would eventually generate more revenue, which is the political objective, it fundamentally does not address the inequities created by Proposition 13, where owners of identical properties may pay a property tax differential of ten times. For assessors, a split roll would create an expensive administrative nightmare.

He went on to say,

Revenue projections have been overstated, and with litigation and the serious challenges of implementation, any real, new revenue would not arrive for five to seven years.

In his opposition to any amendment to Proposition 13, Coupal referenced a study at Pepperdine University's Davenport Institute that showed the devastating impact of increased property taxes on jobs and small businesses (Frates and Shires 2012). The study indicates that an increase of \$6 billion paid by businesses would result in \$71.8 billion in reduced economic output and nearly 400,000 fewer jobs over the first five years of the tax increase—impacts that are expected to grow with time.

Unfortunately, reversing the real and perceived negative consequences of Proposition 13 without abandoning the financial stability and predictability it provides for property owners is not an easy task. Many politicians and community leaders view reforming the property tax system akin to touching the third rail of California politics. Solutions for change have been scarce or soundly rejected.

Different State, Different Approach, Similar Revenue Outcome

As both Professors Sexton and Youngman pointed out, different states have, with mixed results, provided some of the relief and predictability of Proposition 13, with fewer of the drawbacks and less public backlash. In her comments, Youngman discussed extensively a similar but different approach to property tax reform in Massachusetts. Just two years after the passage of Proposition 13, Massachusetts Proposition 2½ limited tax rates to 2½ percent but did not alter the market-value basis for the property tax.

Said Youngman,

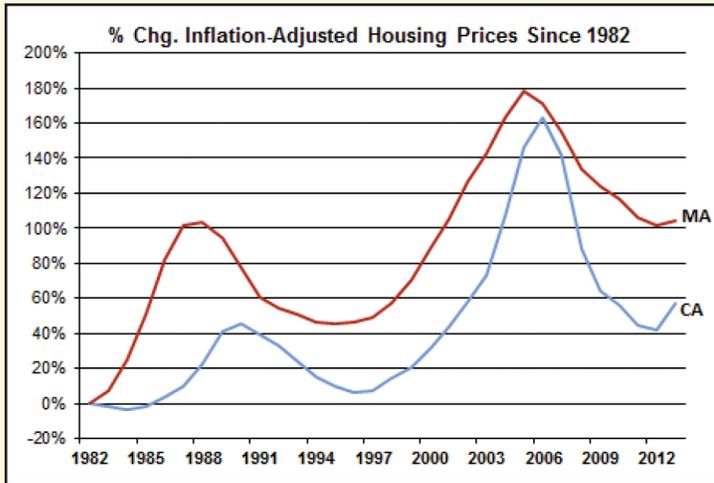
A critical factor in this successful transition was passage of a constitutional amendment explicitly allowing higher

rates of tax on business and commercial property than on residences. The new amendment, which set limits on the degree to which class tax rates could diverge, was far different from the prior regime, in which outdated assessments and the individual assessor's judgment could produce a system in which there were nearly as many classes as taxable properties.

In both California and Massachusetts, as figures 3 and 4 illustrate, property tax revenue reflected the overall trends in the market.

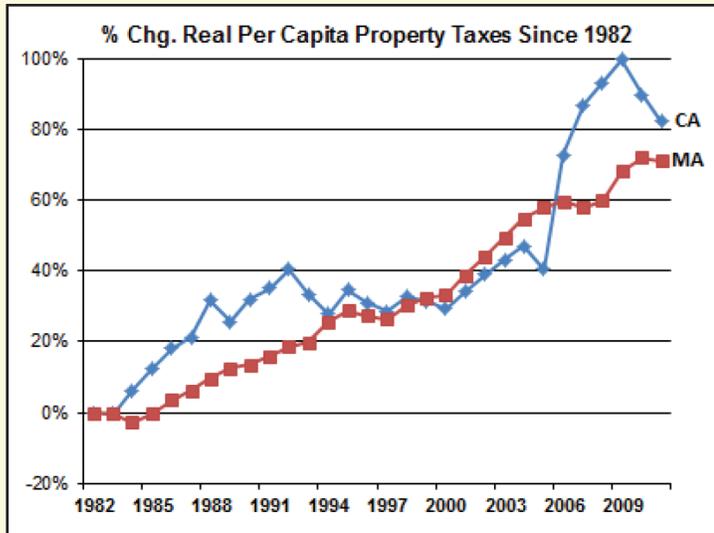
Regardless of a state's current approach to taxing property, the discussion demonstrated that change is never easy and always controversial.

Figure 3. Housing prices in California and Massachusetts 1982–2012 (Federal Housing Finance Agency)



Source: Federal Housing Finance Agency (U.S. All Transactions Index), CPI-U.

Figure 4. Property taxes in California and Massachusetts 1982–2010 (U.S. Census Bureau)



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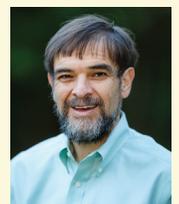
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David Ginsborg is Santa Clara County Deputy to the Assessor and a member of the IAAO Editorial Board. He can be reached at david.ginsborg@asr.sccgov.org.



The WHO, WHAT, WHERE, WHEN, WHY, HOW of the IAAO Conference Content Committee

Colleen Keene

Who is on the Conference Content Committee? The seven-member committee, appointed by the President and President-Elect, comprises five regular members (one appointed as chair), one associate member, and one Local Host Committee Representative. Each member serves a three-year term; the Local Host Representative serves a one-year term. The 2015 committee members are Colleen Keene, Chair (Florida); Rick L. Kuehler (Texas); Deborah Ring (Michigan); Linda Stevenson (Michigan); Pat Goddard (Tennessee); Lou Newman, RES, Associate Member (Phoenix); and Linda Phillips, AAS, Local Host Representative (Indiana). The IAAO Staff Liaison is Leann Ritter.

What is the charge of the committee? The committee supports the mission and commitments of IAAO by ensuring that the content of the educational program at the IAAO Annual Conference provides a wide spectrum of timely and meaningful topics in property appraisal, assessment administration, and property tax policy. The committee actively solicits papers and speakers on all types of issues and is responsible for organizing these papers and speakers into the final educational program format.

Where is the next conference? The 81st IAAO Annual International Conference on Assessment Administration will be held September 13–16, 2015 in Indianapolis, Indiana.

When are the deadlines for 2015 conference? The Call for Presentations deadline is January 26 5 p.m. CST. Abstracts submitted for the educational program will be considered and selected at the next Conference Content Committee meeting on January 30–31. At that meeting the committee will establish the layout of the educational tracks and strategically schedule presentations for the conference program. Presenters of selected abstracts will be notified by February 23. The presentations selected will be announced in the April issue of F&E.

By April 1, the committee will finalize track descriptions, session titles, and speaker names for publication in the May F&E. Presenters must submit their biography and proceedings release by May 1. During this time, the committee will be recruiting session moderators, which need to be determined by June 15. Presentations and accompanying narratives are due from presenters by August 26.

Why the deadlines? A great deal has to happen to successfully offer meaningful educational sessions, and deadlines play a crucial part. Historically, the Conference Content Committee has offered approximately 56 educational sessions, and some of these sessions have numerous presenters. The scheduling and coordination of all presentations and presenters could not be achieved without these deadlines. The goal of the committee is not only to put together a meaningful program but

also to advertise it well in advance of the conference, so that potential attendees perceive the educational opportunities available and decide to attend the conference.

How does it all come together? Immediately following a conference, the committee sets out to plan the educational sessions for the next conference. The committee assembles as a group twice during the year for two-day meetings, during which it diligently works to merge all aspects of the educational sessions. Post-conference surveys and session evaluations play a significant part in planning the conference. IAAO leadership also offers valuable direction.

From the information gathered, track descriptions are written for the Call for Presentations. In addition, numerous documents must be reviewed and often revised during the meetings. Spreadsheets that track abstract submissions are also reviewed and edited. The committee reviews all abstracts submitted and selects the ones most appropriate for presentation. This is a daunting task because unfortunately the committee cannot guarantee selection of all abstracts.

In addition to the individual education sessions, the committee considers other opportunities for conference attendees, such as learning labs, roundtables, webinars, and live-streaming. This year the committee hopes to offer a postconference workshop with Rick Stuart, CAE, teaching the One-day Forum 917, How to Critique an Appraisal. Further, each committee member is assigned numerous tasks throughout the year so all aspects of the educational sessions come together.

The committee invites you to submit an abstract for presentation as an educational session at the 2015 conference. The preliminary tracks are as follows:

- Commercial Real and Personal Property
- Personal Development and Management
- Residential and Agricultural Focus
- Special Issues
- Tax Policy and Assessment Standards
- Technology Trends and Tools.

Look for detailed track descriptions in this issue of F&E and on the IAAO website.

The committee is proud to represent IAAO by promoting excellent educational opportunities. We look forward to seeing you at the 81st Annual Conference in Indianapolis, Indiana.

Colleen Keene is Director of Administration at the Alachua County Property Appraiser's Office in Florida.

2015 Annual Conference Call for Presentations

Submission Guidelines and Tracks

81st Annual International Conference on Assessment Administration • September 13–16, 2015 Indianapolis, Indiana

Deadline for Submission: January 26, 2015 5:00 p.m. Central Time

The submission form can be found on the IAAO website www.iaao.org



Selection Process

Submit potential educational session presentations via the online form by Monday, January 26th, 2015 5:00 p.m. Central Time. You will receive an automatic confirmation. (Scroll up if it does not immediately appear on your screen.) Each submission will be reviewed by the IAAO Conference Content Committee made up of seven IAAO members appointed by the President and President-Elect. You will be notified by March 20 on the status of your submission.

Session Description Development

A short, specific title, accurate two to four sentence description of the proposed session and a more fully developed abstract are required. Developing this information in a Word document first then cutting and pasting into the submission form is suggested. This will allow you to utilize a spell check feature and provide you with a copy of what was submitted.

Presenter Expectations

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

Presenters must use the PowerPoint slide template provided by IAAO. Use of a minimum 24-point font is strongly encouraged. A narrative aligned with the slide presentation or related paper is required. The narrative is intended to provide the full scope of the presentation provided on-site at the conference.

The conference proceedings will be available to attendees via the IAAO website and mobile app. The final slide presentation and narrative must be submitted to IAAO by August 6.

Active learning involves the application of information. Attendees hearing only a lecture may not be able to apply the information. Integrating attendee involvement into a lecture or panel presentation through methods such as reflection, cooperative activities, and peer to peer sharing engages attendees and offers learning that lasts. The Conference Content Committee encourages the opportunity for active learning in each presentation submission.

Presentations cannot be sales pitches or commercials. Presentation submissions by vendors/suppliers to the assessment/appraisal industry must include an assessment office subject matter expert as a co-presenter. Presentations must focus on educating the audience rather than trying to sell a product or service.

All presenters are expected to register for the conference and complete a registration form. A discount of \$200 off the registration rate is available for a limited number of presenters in each session. If a presenter plans to participate in only their own session, registration costs may be waived. The registration form is still required. Complete the hard copy registration form and note "speaker—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 as areas of focus for the annual conference. Suggested topics in addition to those outlined by the Commit-

tee are welcome and encouraged. A popular format in 2014 was a walking tour followed by a discussion of the valuation of the subject property. The committee would be pleased to see similar abstracts submitted.

COMMERCIAL REAL AND PERSONAL PROPERTY

Submissions in this category should address a variety of valuation issues related to commercial/industrial real and personal property. Topics may include, but are not limited to:

- Challenges of small jurisdictions
- Building personal property valuation models
- Leased fee versus fee simple
- Discovery of personal property
- Highest and best use
- Auditing personal property accounts
- Correlation of the three approaches to value
- Regional and super regional mall valuations
- Hotel valuation and trends
- Business enterprise value
- Personal property obsolescence
- Income and expense data
- Movie theaters
- Manufacturing, industrial and warehouse facilities
- Senior care and retirement facilities
- Capitalization rates
- Special purpose buildings such as data centers

RESIDENTIAL AND AGRICULTURAL FOCUS

Submissions in this track should focus on a variety of residential or agricul-

tural appraisal issues such as effects of water shortages, redevelopment of urban areas, and unique housing valuation challenges. Topics may include, but are not limited to:

- Agricultural use value versus market value
- Farmland values and trends
- Ag building valuations including depreciation
- Water shortages and farmland valuation
- Low income housing valuation challenges
- High end residence valuation
- Valuation of gated communities
- Subsidized housing
- Multiple residential projects
- Gentrification of older neighborhoods
- Adapting warehouses for lofts
- Student housing valuation
- Historic home valuations
- Smart homes: value contributions

MANAGEMENT AND PERSONAL DEVELOPMENT

Submissions in this track should focus on methods to enhance management processes to achieve effectiveness and efficiency. Submissions may also include human resource trends and opportunities that encourage productive, healthy and engaged employees. Topics in this track may include, but are not limited to:

- Customer service
- Professional writing
- Maximizing use of office software
- Ethics
- Public relations
- Social media
- Employee engagement
- Team building
- Effective communication

- Safety in the workplace and field
- Legacy planning
- Mental and physical health
- Wellness programs
- Budgeting challenges
- Effective presentations
- Staffing and salary surveys

TAX POLICY AND ASSESSMENT STANDARDS

Submissions in this track will 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 should be emphasized. Topics may include, but are not limited to:

- Trends in exemption of personal property
- Best practices
- USPAP
- International tax policy initiatives
- Market value versus equity issues
- Comparable data: apples or oranges?
- Assessment defense and courtroom performance
- Sales, income and expense disclosure
- Organization exemption audits
- Property tax reforms
- Burden of proof in appeals
- Drafting and impacting legislation
- Exemption categories creep
- Property tax burden shifts between classes of property

TECHNOLOGY TRENDS AND TOOLS

Submissions in this category should focus on the benefits and challenges of the latest technologies available to assessing offices including methods to improve the efficiency of field inspections, mass appraisal, mapping, and general assessment administration.

This track may include case studies and discussions of the uses of technology in areas such as:

- Mobile applications
- Drones
- Mapping and GIS topics
- Best CAMA features and uses
- Oblique photography
- Cost effectiveness of technology
- Changing technology
- Web services for online appeals and data collection
- E-mail delivery of assessment notices
- Disaster recovery
- The Cloud
- Working remotely
- Third party sources for maps, photos and data

SPECIAL ISSUES

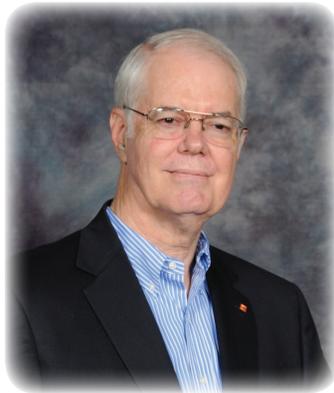
Submissions in this track should focus on a wide variety of topics important to assessment professionals. Unique property type appraisal issues are included in this track. Special issues abstracts may include, but are not limited to:

- Subsurface rights
- Conservation easements
- Natural disasters
- Golf courses and country clubs
- Wind and solar farm valuation issues
- Green buildings
- LEED building valuations
- Census boundaries and parcel data
- Water and theme parks
- Medical marijuana nurseries and dispensaries
- Rural jurisdiction issues
- Geothermal tax credits
- Timber valuation

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

Jeff Spelman, CAE, Retires from Oklahoma Tax Commission Ad Valorem Division

Jeff Spelman, CAE, retired on October 1, 2014, after 20 years of service as the Director of the Ad Valorem Division of the Oklahoma Tax Commission. Before working for the Ad Valorem Division, he was Chief Deputy County Assessor and Acting County Assessor in Oklahoma County.



Spelman says,

I've enjoyed my experience in the ad valorem system, particularly seeing the contrast among the various assessors offices when I visited all 77 counties. I've learned a lot and had the privilege of being exposed to every aspect of the system in Oklahoma. I've worked with the State Board of Equalization, participated in public service capitalization rate studies, and worked on many projects at the division in the areas of CAMA, technical assistance, legislative impacts, county training, annual conference, freight car tax, personal property, and five-year and equalization performance audits. I also enjoyed working directly with numerous taxpayers, tax professionals, county assessors, and business owners addressing their concerns and issues.

Spelman served on the IAAO Executive Board from 1991 to 1993. He served two terms as Chair of the State and Provincial Council, which included a meeting held in Oklahoma City on the day of the Murrah Building bombing in 1995.

Spelman served as superchair of the Research and Technical Services Committee, chair of the Research Committee, member of the Resolutions Committee, and chair of the Communications and Member Recognition Committees. He also served two terms as a member of the Planning and Rules Committee.

He is a Founding Charter Member of the Oklahoma IAAO Chapter, which was established in 1985. He served as chapter President and has been a chapter officer continuously since 1994.

He has won the John C. Donehoo Essay award three times and has published more than 14 articles in *Fair & Equitable*, *Assessment Journal*, and the *Journal of Property Tax Assessment & Administration*. He also serves on the Editorial Review Board for both *Fair & Equitable* and the *Journal of Property Tax Assessment & Administration*.

When speaking of IAAO, Spelman says,

It has been a privilege to be involved in IAAO. During my career. I've learned so much from other IAAO members at annual conferences and educational offerings. It's an invaluable asset for all of us in the profession.

IAAO congratulates Jeff on his many years of service and his leadership role as Division Director of the Oklahoma Ad Valorem Division. IAAO extends its best wishes for an enjoyable retirement.

Jeff has indicated that he will continue to be a part of IAAO in the future and is awaiting confirmation to serve on a volunteer committee in 2015.



IAAO staff members gather outside headquarters in October to show support for the Kansas City Royals during its World Series games. Even though the San Francisco Giants won the series 4 to 3, the Royals were a source of pride in the Kansas City area.

Accounting Manager Mary Ann Deming (right center) is wearing her official 1985 Royals jacket dating to the last time the Royals won a world series. Mary Ann commented,

I still remember that night in '85 when we won the World Series. I wish the result of the 2014 World Series would have been the same. But as one article said, Kansas City has already won. "In the last few weeks, they've given us a reason to gather together with friends and family. To high-five strangers. To raise our heads high. To believe that we are world-class." It was truly an October to remember!

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The screenshot displays the Assessment Analyst software interface. On the left, a 'Property Editor' window shows details for a property in Phoenix, including address, zip code, and current value of \$16,900.00. The main area features a map with property boundaries highlighted in various colors (yellow, red, green). On the right, a dashboard provides a summary of the assessment process, including a 'Final Change' of -\$35,072, a 'Final Change' of 0.39%, and a 'Final Value' of \$728. Below the dashboard is a table with columns for 'Assigned To', 'Jobs Count', 'In Progress', 'Completed', 'Estimated', and 'Average Cost'.

Assigned To	Jobs Count	In Progress	Completed	Estimated	Average Cost
Q1 Assessment	27	27	0	0	0.0%
Q2 Assessment	11	0	2	0	0.0%
Q3 Assessment	37	35	2	0	0.0%
Q4 Assessment	118	114	4	0	0.0%
Unassigned	5	5	0	0	0.0%
Unassigned	5	5	0	0	0.0%
Sum	208	208	24	0	1.7%
System	208	208	24	0	0.0%
TOTAL	560	560	24	0	0.0%

Assessment Analyst is a customizable solution that allows you to visualize and modify a variety of data simultaneously while automating many aspects of your workflow.

Learn more at esri.ca/assessmentanalyst



Cindy Mead, Executive Assistant—Administration Department

IAAO welcomes Cindy Mead as the new Executive Assistant for IAAO. She started October 13, 2014 and was able to spend almost three weeks being oriented by her predecessor Vickie Turner, who retired on October 31.

Cindy will primarily be responsible for supporting the activities of the Executive Board and the Executive Director position. Those responsibilities include preparing materials for Executive Board meetings, taking board meeting minutes, serving as liaison to the Executive Board, and performing numerous administrative tasks to ensure the smooth functioning of IAAO.

She plans to spend the next few months developing an understanding of IAAO's position in the industry and the benefits it provides to professionals in the field.

Cindy comes to IAAO with 14 years experience as an executive assistant at a investment advisory firm that exclusively served credit unions. She provided executive support to the board of

directors, president and CEO, and management team.

Cindy likes to spending her free time having fun, relaxing, weekends with her husband and three adult boys. She also likes antiquing, junking, and repurposing furniture. Cindy has a booth at the Hello Sailor antiques and vintage shop in the West Bottoms Business District of Kansas City (West Bottoms was the original downtown area of Kansas City).

Cindy stays busy preparing booth items for the district's famous Warehouse Weekends, which are conducted monthly beginning every first friday.

Welcome to IAAO Cindy!



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Calendar of Events

Local • Regional • International

Northeast Regional Association of Assessing Officers

Annual Conference

May 17-20, 2015

Portsmouth, NH

<http://www.nraao.org>

North Central Regional Association of Assessing Officers

Annual Conference

June 14-17, 2015

Wisconsin Dells, WI

<http://www.ncraao.org>

Virginia Association of Assessing Officers

Annual Conference

October 7-9, 2015

Virginia Beach, VA

<http://vaao.org/education/events-registration>

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IAAO is a sponsoring member of The Appraisal Foundation. As a sponsoring member, IAAO must maintain designation requirements that are in compliance with Appraisal Qualifications Board rules. Members applying for candidacy on or after January 1, 2015, must have a bachelor's degree or higher from an accredited college or university in order to receive an RES designation.

CONGRATULATIONS NEW DESIGNEES

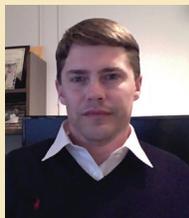
Deidra L. Kelly, AAS, received the Assessment Administration Specialist designation in September 2014. Kelly serves as a Real Estate Appraiser Supervisor for Arlington County Government in Arlington, Virginia. She has held that position for two years and previously served as a Senior Appraiser and Appraiser for Residential/Commercial. Kelly attended Trinity Washington University and received a master's degree in organizational development and a bachelor's degree in business administration. She has served as Director for VAAO and as a member of the education committee. Kelly has worked in the assessment office for 17 years in almost every position. Kelly joined IAAO in 2002.



Diliya Berrett, RES, AAS, received the Residential Evaluation Specialist designation in September and the Assessment Administration Specialist designation in October 2014. Berrett serves as an Appraiser II for the Weber County Assessor's Office in Ogden, Utah. She has held that position for five months and previously served as an Appraiser Tech II and Data Entry Clerk. Berrett has been a certified residential appraiser since 2009. She attended Kazan State University in Russia and earned a master's degree in mathematics. Berrett received the Weber County Assessor's Office Coworker of the Year Award in 2012, the Utah Chapter IAAO Outstanding Assessment Specialist Real Property Award in 2013, and the Weber County Golden Seal of Service Award in 2013. Berrett states she took her first appraisal class five months after moving to the United States. She had to use her electronic translator for most of the class. Berrett joined IAAO in 2012.



Jeremy Sila, CMS, received the Cadastral Mapping Specialist designation in September 2014. Sila serves as the GIS Director for the Pike County Assessor's Office in Magnolia, Mississippi. He has held that position for over three years. Sila attended the University of Southern Mississippi and received a bachelor's degree with a major in geographical information sciences and a minor in geography. Sila joined IAAO in 2014.



Shirley Balog, CMS, received the Cadastral Mapping Specialist designation in September 2014. Balog serves as GIS Mapping Supervisor for the Harrison County Tax Assessor in Gulfport, Mississippi. She has held that position for over 19 years and previously served as Deputy Tax Assessor. Balog has attended the University of Southern Mississippi and Mississippi Gulf Coast Community College. She is a member of ESRI, Mississippi Association of Spatial Technologies, and Harrison County GIS Coalition, Tax Assessor's Office Liaison. Balog was awarded the Cambridge Who's Who Award. She joined IAAO in 2000.



Renada J. Taylor, CMS, received the Cadastral Mapping Specialist designation in September 2014. Taylor serves as Deputy Assessor for the Pike County Assessor's Office in Magnolia, Mississippi. She has held that position for six years. Taylor attended Southwest Mississippi Community College and received an associate's degree in business administration. She also attended Tougaloo College and studied economics and accounting and attended the University of Southern Mississippi with an accounting major. Taylor is a member of the MS Association of Education Office Professionals, McComb Association of Education Office Professionals, and the Georgia Westbrook Federated Club. She is a Mississippi Assessment Evaluator, Assessment Evaluator I & II, and a Certified Education Office Professional. Taylor joined IAAO in 2014.



Kenya F. Lofton, CMS, received the Cadastral Mapping Specialist designation in September 2014. Lofton serves as Deputy Assessor for the Pike County Assessor's Office in Magnolia, Mississippi. She has held that position for 14 years and previously served as a Mapper and Mapping Supervisor. Lofton has taken numerous ESRI courses and joined IAAO in 2014.



Fifth Annual Keyes Award Presented to Gary Snyder, RES

Jeff Spelman, CAE

The Oklahoma IAAO Chapter met October 16, 2014 at the Wyndham Hotel in Oklahoma City for its annual business meeting and presentation of the annual George C. Keyes award for outstanding service to the chapter. The Oklahoma Chapter was founded January 27, 1985 with 25 members signing the Chapter Charter, and the organization will celebrate its 30th anniversary in 2015.

2014 Keyes Award

The first Keyes award was presented in 2010, in honor of the IAAO Oklahoma Chapter founder and former Oklahoma County Assessor George C. Keyes. The first award went to Jeff Spelman, CAE, of the Oklahoma Tax Commission. In 2011, the second annual Keyes Award was presented to Mike Morrison, Oklahoma County Assessor's Office; Doug Warr, AAS, with the Oklahoma State University Center for Local Government Technology, was selected in 2012; and L. Wade Patterson, Garfield County Assessor, was chosen in 2013. By chapter tradition, each Keyes award is presented by the previous year's winner, so Wade Patterson presented the award to this year's recipient, Gary Snyder, RES, with the Oklahoma State University Center for Local Government.

Patterson explained that the purpose of the award is to recognize an outstanding member of the chapter who has made significant contributions to the chapter and to IAAO. "Our new Keyes winner has been a tireless supporter of assessor education and training in Oklahoma and has been active in IAAO, serving on the Instructor Relations Committee. He's worked hard to encourage professionalism in his work with the Oklahoma County Assessors' Association. He's always willing to undertake any new project, and he has helped

others trying to obtain IAAO designations," Patterson said. "He's truly a leader in our state."

Accepting the award, Snyder stated that it was an honor to be chosen by his friends and colleagues in the chapter. He felt it was recognition of the efforts made by his office and others to improve Oklahoma's ad valorem system. "I've enjoyed my association with this chapter, and it's been a privilege to work with the many ad valorem professionals in Oklahoma. I've learned so much during my work with IAAO," Snyder told the group. "I'm grateful for your confidence in my efforts."

Snyder started his ad valorem career in the Noble County Assessor's office. He later served as Noble County Assessor, overseeing all aspects of the office, including upgrading the county's CAMA system and working on mapping. He is a certified national instructor for IAAO. He was instrumental in getting numerous chapter-sponsored IAAO courses taught in Oklahoma over the last 29 years. He also serves on the planning committee for the URISA CAMA/GIS Conference, which will be held in Oklahoma City in March 2015.

George C. Keyes

George C. Keyes was the first President of the Oklahoma Chapter. He served as the Oklahoma County Assessor for 13 years until his death in 1992. Keyes set up the first educational offerings in many years by sponsoring IAAO courses in Oklahoma, and he was instrumental in establishing the IAAO Chapter. He served on the Membership Services



George C. Keyes award recipients are (l to r) Mike Morrison, L. Wade Patterson, Gary Snyder, RES, Jeff Spelman, CAE, Doug Warr, AAS, and Joe Hapgood, CAE (not pictured).



Gary Snyder, RES, addresses attendees at the chapter meeting.

Committee, Resolutions Committee, and the Metropolitan Jurisdiction Council. He ran unsuccessfully for the IAAO Executive Board against George Donatello in 1987. Under his leadership, the Oklahoma County Assessors received a Distinguished Research and Development Award from IAAO in 1989 and the IAAO Chapter won an Outstanding Chapter Award in 1988.

Keyes was a life-long newspaper editor, publishing the Oklahoma County News and several other successful small town newspapers in Oklahoma County. He was elected to the Oklahoma House of Representatives in 1968 and served several terms in the Legislature. Keyes also was elected to the State Senate, but did not serve because of a major reapportionment court case redrawing all legislative boundaries the following year.

He was a World War II combat veteran serving in the U.S. Navy and U.S. Marine Corp Reserves. The ship that he served on survived a direct hit by a Japanese Kamikaze plane during the latter part of the war. He narrowly escaped an ammunition ship explosion in the Subic Bay in the Philippines.

Chapter Activities

Joe Hapgood, CAE, served as Chapter President for 2014. Matt Wehmuller, Canadian County Assessor, was elected President for 2015; Billijo Ragland, Chief Deputy for the Cleveland County Assessor's Office, will serve as Vice President, and Doug Brydon, Personal Property Revenue Unit Manager for the Oklahoma Tax Commission Ad Valorem Division, will be Secretary-Treasurer. Jeff Spelman, CAE, will rotate off the board with his retirement from the Ad Valorem Division, and Kenny Chuculate, Interim Director of the Ad Valorem Division, will serve as an ex-officio member.

The chapter meets three times a year in coordination with the Oklahoma County Officers and Deputies Association Mid-winter Meeting, Oklahoma Tax Commission Annual Conference, and the County Assessors Association Fall Conference. The Oklahoma Chapter won the IAAO Outstanding Chapter Award in 1988 and 2006.

IAAO courses are regularly sponsored by the chapter in Oklahoma. For the last five years, the chapter has brought two or three IAAO courses to the state each year. These courses are held to supplement Oklahoma assessor accreditation courses taught by the Oklahoma State University Center for Local Government Technology (CLGT).

The chapter also maintains a website (<http://ok-iaao.oklahomacounty.org>), featuring information on upcoming courses, past minutes, financial information, and photographs from chapter activities. Chapter webmaster, Mike Morrison, administers the website.



Gary Snyder, RES, with his daughter Hadlee and previous award recipient L. Wade Patterson.

IAAO Conferences, Seminars, and Meetings		
Event	Location	Dates
19th Annual GIS/CAMA Technologies Conference	Oklahoma City, Oklahoma	March 2-5, 2015
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
IAAO 83rd Annual International Conference on Assessment Administration	Las Vegas, Nevada	September 24-27, 2017
IAAO 84th Annual International Conference on Assessment Administration	Minneapolis, Minnesota	September 23-26, 2018
IAAO 85th Annual International Conference on Assessment Administration	Niagara Falls, Ontario, Canada	September 8-11, 2019

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- Tax policy/Tax reform
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- Alternative energy
- Equity appeals (Texas)
- FOIA requests
- Historical property
- Hospitals/surgical centers
- Mineral rights
- Open source resources
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- Disaster response
- Procedure improvements
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FROM THE PRESIDENT *(continued from page 2)*

- The Infrastructure Review Special Committee proposed a new committee structure plan, which was approved in concept subject to further development.
- A Vision 2020 Subcommittee of the Executive Board was formed to define a roadmap for IAAO and address organizational culture in the next five years.

Other Major Motions

- The board reviewed the current healthcare plan for IAAO staff and improved the effective coverage.
- The board voted to support the National Spatial Data Infrastructure Report Card through the Coalition of Geospatial Organizations.
- The board voted to establish a per-diem reimbursement rate for leadership and staff travel based on the IRS standard rate for Kansas City effective January 2015.
- The 2015 budget was approved, and the Budget Committee was asked to perform a cost and return-on-investment study to determine whether fees for courses, workshops, and one-day forums should be adjusted in 2016.
- The CEAA (Certificate of Excellence in Assessment Administration) Special Committee was approved as a subcommittee of the Professional Development Committee, with six members, effective January 1, 2015.
- A registration discount and expanded eligibility for conference presenters was recommended by the Conference Content Committee and approved by the board.

Look for reports on Leadership Days, which was held November 12–15, in the January edition of F&E.

(continued on page 30)



Pictured (l to r across the back) New Hampshire Assessing Standards Board (ASB) members Len Gerzon, ASB Chair; Peter Schmidt; Todd Haywood; Bob Gagne; Eric Stohl; and Joe Lessard. Front right, David Cornell, CAE, (left) and Stephan Hamilton coauthors of the F&E article, "New Hampshire Develops Mosaic System to Achieve Equalization in Property Taxes" pose with President Kim Lauffer, RES, at the NHAEO Annual Meeting. Additional authors of the article are Linda Kennedy, David Salzer, and Patrick Santoso



Officers of the New Hampshire Association of Assessing Officials (NHAEO) for 2014 meet with IAAO President Kim Lauffer, RES, during the NHAEO Annual Meeting. Pictured (l to r) 2nd Vice President Ed Tinker, President Donna Langley, Kim Lauffer, RES, 1st Vice President Rick Brideau, and Secretary Jim Commerford.

Song lyrics have often been a wonderful way for me to express my thoughts and emotions. I've gone back and forth when pondering just which lyrics best sum up this once-in-a-lifetime experience and have finally settled on a classic:

*And now, the end is here
And so I face the final curtain
My friend, I'll say it clear
I'll state my case, of which I'm certain
I've lived a life that's full
I traveled each and ev'ry highway
And more, much more than this, I did it my way
Regrets, I've had a few
But then again, too few to mention
I did what I had to do and saw it through without exemption
I planned each charted course, each careful step along the byway
And more, much more than this, I did it my way
Yes, there were times, I'm sure you knew
When I bit off more than I could chew
But through it all, when there was doubt
I ate it up and spit it out
I faced it all and I stood tall and did it my way
I've loved, I've laughed and cried
I've had my fill, my share of losing
And now, as tears subside, I find it all so amusing
To think I did all that
And may I say, not in a shy way,
"Oh, no, oh, no, not me, I did it my way"
For what is a man, what has he got?
If not himself, then he has naught
To say the things he truly feels and not the words of one who kneels
The record shows I took the blows and did it my way!
Yes, it was my way*

—released June 14, 1969
sung by Frank Sinatra,
lyrics by Paul Anka

I hope everyone has a wonderful holiday season and we can all start the new year looking forward to the many good changes to come. Thank you!

Kim Lauffer

In Memoriam

Charles "Kurt" Barrow

Charles "Kurt" Barrow, 66, of Danville, Indiana, passed away on Friday, November 7, 2014.

Barrow joined IAAO in 1976 when he was Appraisal Specialist with the Illinois State Department of Local Government Affairs.



During his career he also served as Assistant Deputy Director of the Illinois Department of Revenue, as Deputy Supervisor of Assessments for Sangamon County, Illinois, and with Midwest Appraisal Group in Springfield, Illinois.

He earned his CAE designation and was an instructor for IAAO Course 101. In 1995 he was the IAAO Director of Education, and in 1997 he was the IAAO Curriculum Specialist.

In 1998–1999 he served on the Nominating Committee, and in 1999–2000 he served on the Ethics Committee. At the time he was employed as Director of Property Assessment at the Indiana State Board of Tax Commission, from which he retired.

Barrow is survived by his wife, Tina L. Holt, four children, Amy, Allison, and Aaron Barrow and Nikolaos Panagiotidis; a granddaughter, Shelby May; a brother, Kent (Debbie) Barrow of Springfield; and several nieces, nephews, cousins and great nieces and nephews.

He was a United States Army veteran who served during Vietnam.

A funeral service was held November 12 at Staab Funeral Home in Springfield, Illinois. Memorial contributions may be given to the American Cancer Society.

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BY LOCATION

ALABAMA

102—Income Approach to Valuation

Montgomery, February 23–27, 2015

112—Income Approach to Valuation II

Hoover, May 11–15, 2015

331—Mass Appraisal Practices & Procedures

Montgomery, June 15–19, 2015

101—Fundamentals of Real Property Appraisal

Montgomery, September 21–25, 2015

The Center for Governmental Services sponsor the offerings listed above. For more details, contact Julia Hefflin 334/844-4782 or register at www.auburn.edu/propertytax

ARKANSAS

601—Cadastral Mapping: Methods and Applications

Little Rock, April 13–17, 2015

331—Mass Appraisal Practices and Procedures

Fayetteville, November 30–December 4, 2015

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

Largo, February 2–6, 2015

The Pinellas County Property Appraisers' Office sponsor the offering listed above. For more details, contact Kevin Campanaro (727) 453-3205.

151—National USPAP

Orlando, February 25–27, 2015

102—Income Approach to Valuation

Tallahassee, March 9–13, 2015

201—Appraisal of Land

Tallahassee, March 9–13, 2015

311—Residential Modeling Concepts

Tallahassee, March 9–13, 2015

500—Assessment of Personal Property

Tallahassee, March 9–13, 2015

101—Fundamentals of Real Property Appraisal

Daytona Beach, May 4–8, 2015

112—Income Approach to Valuation II

Daytona Beach, May 4–8, 2015

400—Assessment Administration

Daytona Beach, May 4–8, 2015

102—Income Approach to Valuation

Lake Mary, August 3–7, 2015

201—Appraisal of Land

Lake Mary, August 3–7, 2015

312—Commercial/Industrial Modeling Concepts

Lake Mary, August 3–7, 2015

402—Tax Policy

Lake Mary, August 3–7, 2015

The FL Department of Revenue, Property Tax Oversight sponsor the offerings listed above. For more details, contact Meghan Miller (727) 588-6856 or via e-mail – millerm@dor.state.fl.us or <http://dor.myflorida.com/dor/property/training/>

GEORGIA

400—Assessment Administration

Marietta, January 26–30, 2015

The Georgia Association of Assessing Officials sponsors the offering listed above. For more details, contact John Scott 912/764-0116.

IDAHO

101—Fundamentals of Real Property Appraisal

Boise, January 12–16, 2015

102—Income Approach to Valuation

Boise, January 12–16, 2015

155—Depreciation Analysis

Boise, January 12–13, 2015

201—Appraisal of Land

Boise, January 12–16, 2015

252—Valuing Property Affected Environmental Contamination

Boise, January 12–13, 2015

300—Fundamentals of Mass Appraisal

Boise, January 12–16, 2015

312—Commercial/Industrial Modeling Concepts

Boise, January 12–16, 2015

400—Assessment Administration

Boise, January 12–16, 2015

452—Fundamentals of Assessment Ratio Studies

Boise, January 14–16, 2015

The Idaho State Tax Commission sponsors the offerings listed above. For more details, contact Jan Barnard 208/334-7733 or jan.barnard@tax.id.gov.

ILLINOIS

600—Principles & Techniques of Cadastral Mapping

Arlington Heights, April 20–24, 2015

The Illinois Property Assessment Institute sponsors the offerings listed above. For more details, contact Brenda Corcoran 309/862-0300.

IOWA

101—Fundamentals of Real Property Appraisal

Clive, January 19–23, 2015

102—Income Approach to Valuation

Clive, January 19–23, 2015

The Institute of Iowa Certified Assessors sponsors the offerings listed above. For more details, contact John Freese 319/824-6216.

KANSAS

402—Tax Policy

Wichita, July 27–31, 2015

The Sedgwick County Appraisers Office sponsors the offering listed above. For more details, contact Todd Reynolds 316/660-9277.

MISSISSIPPI

102—Income Approach to Valuation

Starkville, May 11–15, 2015

400—Assessment Administration

Starkville, June 8–12, 2015

The Mississippi State University Extension Center sponsors the offerings listed above. For more details, contact Jason Camp 662/325-3141

NORTH CAROLINA

300—Fundamentals of Mass Appraisal

Chapel Hill, January 26–30, 2015

The School of Government sponsor the offering listed above. For more details, contact Carolyn Sands Boggs 919/966-4157.

OHIO

400—Assessment Administration

Hamilton, March 9–13, 2015

101—Fundamentals of Real Property Appraisal

Bucyrus, May 11–15, 2015

102—Income Approach to Valuation

Delaware, October 5–9, 2015

The Ohio Ad Valorem School sponsor the offerings listed above. For more details, contact Robert Graham 330/935-2997.

TEXAS

311—Residential Modeling Concepts

Austin, January 5–9, 2015

112—Income Approach to Valuation II

Austin, January 12–16, 2015

312—Commercial/Industrial Modeling Concepts

Austin, January 12–16, 2015

500—Assessment of Personal Property

Austin, December 16–20, 2015

201—Appraisal of Land

Austin, February 9–13, 2015

171—IAAO Standards

Houston, February 23, 2015

311—Residential Modeling Concepts

Houston, March 2–6, 2015

151—National USPAP

Austin, October 5–6, 2015

151—National USPAP

Houston, October 7–8, 2015

157—The Appraisal Uses of Excel Software

Houston, October 7–8, 2015

191—National USPAP

Houston, October 9, 2015

851—RES Case Study Review

Austin, November 16–18, 2015

The Texas Association of Appraisal Districts sponsor the offerings listed above. For more details, contact Doris Koch 512/467-0402.

WISCONSIN

931—Reading and Understanding Leases

Greenfield, January 19, 2015

102—Income Approach to Valuation

Greenfield, January 26–30, 2015

Scott G. Winter Training and Consulting sponsors the offerings listed above. For more details, contact Scott Winter 414/238-4002.

BY COURSE

Course 101—Fundamentals of Real Property Appraisal

January 12–16, 2015, Idaho (Boise)

January 19–23, 2015, Iowa (Clive)

January 26–30, 2015, Wisconsin (Greenfield)

February 2–6, 2015, Florida (Largo)

May 4–8, 2015, Florida (Daytona Beach)

May 11–15, 2015, Ohio (Bucyrus)

September 21–25, 2015, Alabama (Montgomery)

Course 102—Income Approach to Valuation

January 12–16, 2015, Idaho (Boise)

January 19–23, 2015, Iowa (Clive)

February 23–27, 2015, Alabama (Montgomery)

March 9–13, 2015, Florida (Tallahassee)

May 11–15, 2015, Mississippi (Starkville)

August 3–7, 2015, Florida (Lake Mary)

October 5–9, 2015, Ohio (Delaware)

Course 112—Income Approach to Valuation II

January 12–16, 2015, Texas (Austin)

May 4–8, 2015, Florida (Daytona Beach)

May 11–15, 2015, Alabama (Hoover)

Workshop 151—National USPAP

February 25–27, 2015, Florida (Orlando)

October 5–6, 2015, Texas (Austin)

October 7–8, 2015, Texas (Houston)

October 9, 2015, Texas (Houston)

Workshop 155—Depreciation Analysis

January 12–13, 2015, Idaho (Boise)

Workshop 157—The Appraisal Uses of Excel Software

October 7–8, 2015, Texas (Houston)

Workshop 171—IAAO Standards

February 23, 2015, Texas (Houston)

Workshop 191—National USPAP

October 9, 2015, Texas (Houston)

Course 201—Appraisal of Land

January 12–16, 2015, Idaho (Boise)

February 9–13, 2015, Texas (Austin)

March 9–13, 2015, Florida (Tallahassee)

August 3–7, 2015, Florida (Lake Mary)

Workshop 252—Valuing Property Affected Environmental Contamination

January 12–13, 2015, Idaho (Boise)

Course 300—Fundamentals of Mass Appraisal

January 12–16, 2015, Idaho (Boise)

January 26–30, 2015, North Carolina (Chapel Hill)

Course 311—Residential Modeling Concepts

January 5–9, 2015, Texas (Austin)

March 2–6, 2015, Texas (Houston)

March 9–13, 2015, Florida (Tallahassee)

Course 312—Commercial/Industrial Modeling Concepts

January 12–16, 2015, Texas (Austin)

January 12–16, 2015, Idaho (Boise)

August 3–7, 2015, Florida (Lake Mary)

Course 331—Mass Appraisal Practices and Procedures

June 15–19, 2015, Alabama (Montgomery)

November 30–December 4, 2015, Arkansas (Little Rock)

Course 400—Assessment Administration

January 12–16, 2015, Idaho (Boise)

January 26–30, 2015, Georgia (Marietta)

March 9–13, 2015, Ohio (Hamilton)

May 4–8, 2015, Florida (Daytona Beach)

June 8–12, 2015, Mississippi (Starkville)

Course 402—Tax Policy

July 27–31, 2015, Kansas (Wichita)

August 3–7, 2015, Florida (Lake Mary)

Workshop 452—Fundamentals of Assessment Ratio Studies

January 14–16, 2015, Idaho (Boise)

Course 500—Assessment of Personal Property

March 9–13, 2015, Florida (Tallahassee)

December 16–20, 2015, Texas (Austin)

Course 600—Principles & Techniques of Cadastral Mapping

April 20–24, 2015, Illinois (Arlington Heights)

Course 601—Cadastral Mapping—Methods and Applications

April 13–17, 2015, Arkansas (Little Rock)

Workshop 851—RES Case Study Review

November 16–18, 2015, Texas (Austin)

931—Reading and Understanding Leases January 19, 2015, Wisconsin (Greenfield)

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.

Correction Notice:

In *Fair & Equitable* November the photo recognizing CEEA certification recipient Thurston County, Washington, Assessor's Office, incorrectly identified the person on the far right as retired Chief Deputy Assessor Gene Widmer, CAE. The person on the far right is Michael Brooks an Appraiser at the Thurston County Assessor's Office. IAAO regrets the error.



Accepting the CEEA certification from IAAO President Kim Lauffer, RES, for the Thurston County, Washington, Assessor's Office (l to r) are Thurston County Assessor Steven Drew and Thurston County Appraiser Michael Brooks.

MEMBER ANNIVERSARIES

5 Years

Bryan R. Allen, Talladega County Revenue Commission, Talladega, AL

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Jose Manuel Vega, JM Vega & Associates LLC, Spring, TX

Laurie A. Walta, Sumner County Appraiser's Office, Wellington, KS

Terry M. Williams, Harris County Appraisal District, Houston, TX

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Christina Ann Morton, Travis County Tax Office, Austin, TX

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Sue Ann Carver, Livingston County, Smithland, KY

David Crockett, Los Angeles County Assessor's Office, Signal Hill, CA

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L Kent Hawkins, CMS, Madison County, Canton, MS

John R. Lewis, Jr, Statewide Appraisal, Brandon, MS

Mike Meinz, Union County Tax Assessor, New Albany, MS

Mitzi Presley, Monroe County, Aberdeen, MS

Holly A Schutt, Mecklenburg County, Charlotte, NC

30 Years

Eric G. Anderson, Mecklenburg County, Charlotte, NC

John Deegan, Jasper County, Newton, IA

Anne J. Gregory, Town of Falmouth, Falmouth, ME

Nicholas S. Hufford, CAE, U.S. General Services Administration, Arlington, VA

Leo R. Leshner, Brown County, Aberdeen, SD

John E. O'Donnell, III, John E O' Donnell & Associates, New Gloucester, ME

35 Years

Paul Siebenaler, Minneiska, MN

40 Years

M Kevin Connors, CAE, Crane & Norcross, Chicago, IL

Thomas M. Tully, Thomas M. Tully, Ltd., Chicago, IL

45 Years

Institute of Iowa Certified Assessors, Grundy Center, IA

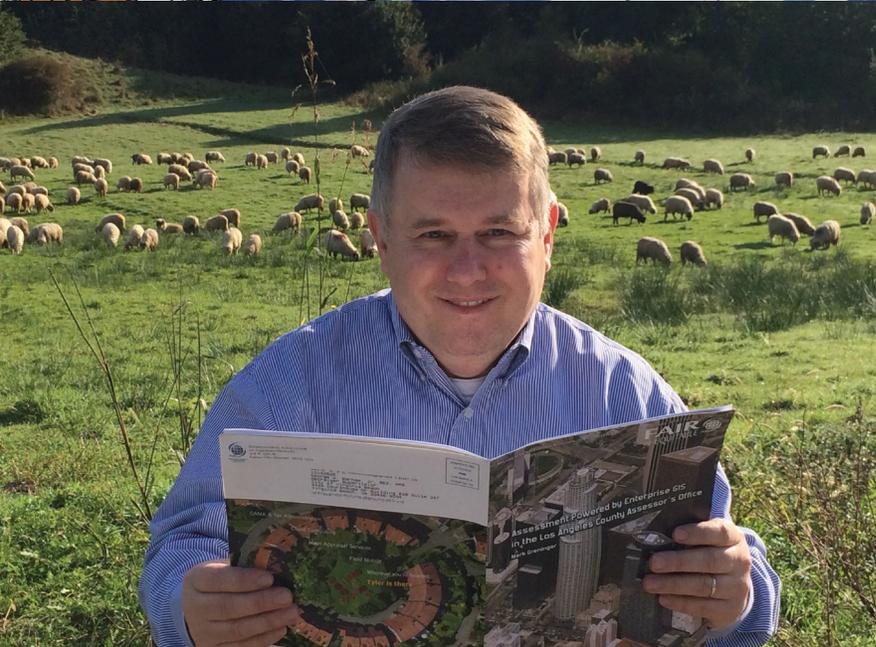
WHERE DO YOU READ FAIR? & EQUITABLE?

"Where do you read F&E?" How about in Alcatraz? Right, Donna McCabe, AAS, Gary McCabe, CAE, and Lisa Hobart, PPS, had plenty of time to read while doing time for mischief at the annual conference in Sacramento. Not shown was Russ Thimgan (as he was in solitary confinement).

Below, Randy Ripperger, CAE, his wife Debbie, daughter Bailey, and Bailey's boyfriend Travis Eggman read F&E while riding the Tornado, a wooden roller coaster at Adventureland in Altoona, Iowa. The picture was taken at the bottom of the first and biggest drop, going about 58 miles per hour. IAAO is glad that Randy survived while riding no hands.

Bottom left, George Barham, Jr., RES, AAS, Appraiser Supervisor for the City of Virginia Beach, reads F&E while keeping a watchful on the flock in the foothills of the Transylvanian Alps, near Peștere, Romania; this was his fourth mission trip to the country.

Bottom right, Ramon Andarias, Technology Director for Suma Gestión Tributaria (SUMA) in Alicante Province, Spain, reads F&E at the Ryder Cup in Gleneagles, Scotland. Ramon supported the European Team (which finally won the challenge) but he enjoyed the great atmosphere and good sense of humor of the Americans. SUMA is the local government tax agency of Alicante.



HAPPY HOLIDAYS

"Is it a fact, or have I dreamt it—that, by means of electricity, the world of matter has become a great nerve, vibrating thousands of miles in a breathless point of time."

—Nathaniel Hawthorne, *The House of the Seven Gables*, 1851



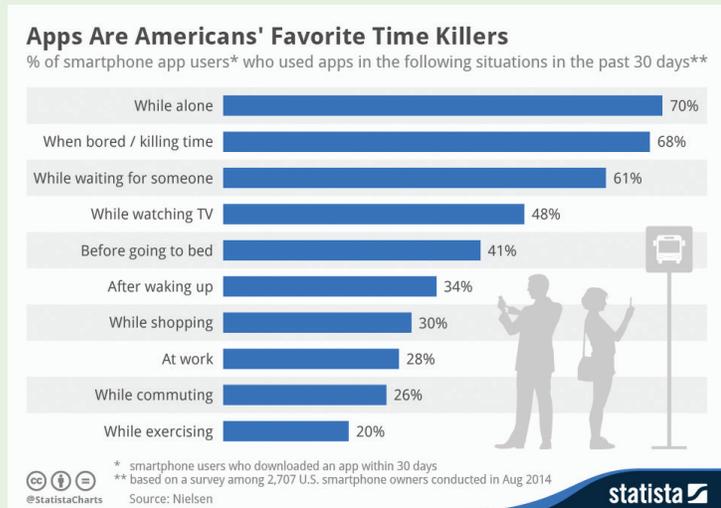
Mary Odom, MLS



Hawthorne's great nerve continues to multiply and evolve today into time-saving and time-killing technology. For instance, social media users spend an average of 2.2 hours a day on all social media channels, and the most popular category of all mobile apps is games (McCarthy 2014). The present-day "breathless point in time" is steeped in an endless selection of technology that allows users leverage time like never before.

Mobile apps are software applications designed to run on handheld devices such as smartphones and tablets. According to the Pew Research Center, 58 percent of American adults have a smartphone and 42 percent have a tablet computer.

Figure 1. According to a recent Nielsen report, the average smartphone user in the U.S. has around 42 apps on his or her device, of which he opens less than 10 on a daily basis. So when are consumers most likely to use apps?

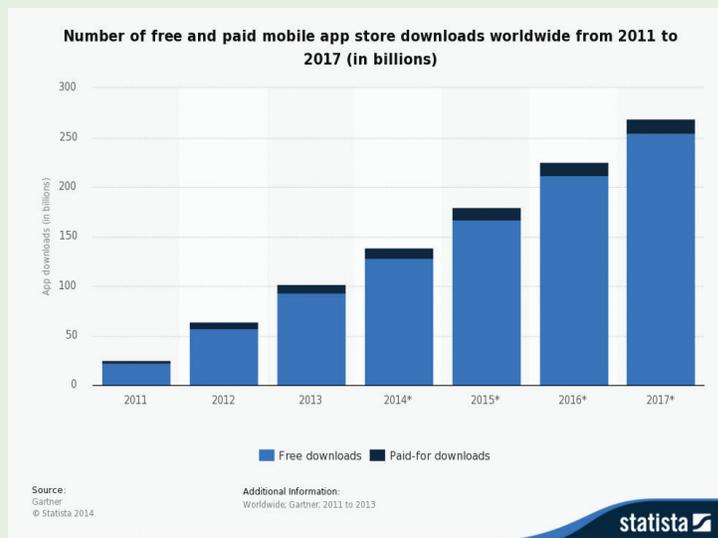


On smartphones, besides texting, two of the top activities are searching the Internet and downloading apps. Most smartphone owners download apps for their operating system from an app store such as the Apple App Store, Google Play Store, or BlackBerry App World. "While the average smartphone downloader has around 42 apps on their device, the majority (87 percent) claim they use less than 10 apps on a daily basis" (Nielsen 2014).

Projections indicate that almost 180 billion apps will be downloaded in 2015, almost 225 billion in 2016, and almost 270 billion in 2017 (McCarthy 2014).

So why are smartphone users downloading so many apps? The majority cite "killing time" as their number one use for apps (see figure 1). It's interesting to note that 28 percent of the respondents use apps at work. Productivity apps are a growing category because many employees need to have tools in their pocket wherever they go during the work day.

Figure 2. This statistic presents a forecast for free and paid mobile app store downloads worldwide from 2011 to 2017. In 2012, 57.33 billion apps were downloaded for free, whereas paid app downloads amounted to 6.65 billion items. In 2016, free app download volume is projected to grow to 211.31 billion downloads.



Figures 1 and 2 reprinted with permission from Statista

Assessment professionals can put the IAAO Library, as well as several other research apps, in their pockets to maximize their time.

One app that I recommend for a handheld library is called "Access My Library: Special Edition." This app is available for both iOS and Android platforms

and provides access to all articles published in the *Journal of Property Tax Assessment & Administration* as well as articles from *The Appraisal Journal*. The key step in finding these articles in the app is to select "Corporate" as the type of library and then enter the password iaao.

Next month the library will release a potpourri of research apps for the assessment profession including apps for using eBooks, organizing resources, file management across devices, and more. I would like to learn about the apps that assessment professionals find useful on the job. Send suggestions to me at library@iaao.org.

Virtually Yours,

Mary Odom

Mary Odom, MLS
Director of Library Services

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Arizona Republic Reporters Win IAAO Journalism Award

As home values crashed following the housing bust, many property owners thought that a consolation would be a corresponding drop in their property taxes. Why that didn't happen was the subject of a four-day *Arizona Republic* special report, "Taxation Vexation," published in June 2013.

Reporters Ronald J. Hansen, Catherine Reagor, Michelle Ye Hee Lee, and Rob O'Dell not only displayed excellence in journalism but also brilliantly informed the public about the genesis of the problem, outlined the property valuation appeals process, highlighted the policy issues, and municipal realities of the Arizona housing market, and outlined the budget constraints on municipalities moving forward.

The *Arizona Republic* is the largest newspaper in Arizona and among the top 20 nationally in daily circulation.

The "Taxation Vexation" series served to educate the public regarding property appraisals. The second part of the series in particular, published June 17, 2013, highlighted the assessor's role in valuation and delved into nuances of property valuation in a way that has never been done before in Arizona.

The Journalism Award is given to individuals or organizations in a news medium who have produced work that promotes better understanding of assessment administration



2014 IAAO Journalism Award winners were presented with the award by Executive Board Member Tim Boncoskey. Pictured (l to r) are Ronald Hansen, Michelle Ye Hee Lee, Tim Boncoskey, and Catherine Reagor. Award winner Ron O'Dell is not pictured.



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Conference Hotel

The conference will take place at the Renaissance Oklahoma City Convention Center Hotel (10 North Broadway Avenue, Oklahoma City, OK 73102). A block of rooms has been offered to conference attendees at the discounted rate: \$139 single/double, \$149 club level, and \$169 for suites. Complimentary in-room internet for those who reserve within the block. The hotel offers complimentary airport transportation.

Sleeping room reservations can be made by phone at 1-800-468-3571. Be sure to reference the GIS/CAMA Conference. Reservations should be made no later than 21 days prior to the conference.

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