

A Brief History of Intangibles in Ad Valorem Taxation

Tim Wilmath
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FROM THE PRESIDENT

Kim Lauffer, RES

Dear IAAO Members,

We did it! Another exciting annual conference is completed. Now the staff, Executive Board, and committees get back to work on the things that are important to our members: creating digital books, improving courses, reviewing conference survey results, beginning again the process of putting together the best educational sessions for the 2015 Annual Conference in Indianapolis, establishing new membership levels and a member loyalty program, and—the newest task—finding the next Executive Director. Lisa Daniels submitted her resignation in July, and her last day in the office was August 29, 2014. The Executive Board thanks Lisa for the superb financial shape of the association during her years of service and wishes her the best in her future endeavors.

In the immediate future, Director of Membership Robin Parrish will serve as the interim Executive Director while an ad hoc Search Committee looks for a replacement. The Search Committee will be chaired by past president Fred Chmura. Committee members include Wade Patterson (Oklahoma), Associate Member Bob Locke (Pictometry), myself, President-Elect Marty Marshall, Vice President Pete Rodda, and Tom May (Minnesota) as the at large executive board member. This experienced and diverse group will develop the visionary blueprint for the next executive director of IAAO.

Each year, at the Annual Conference the president provides an annual report to members on the association's accomplishments, and it is subsequently printed in an IAAO publication. This is one of the fun tasks I get to do because IAAO has had a very good year.

IAAO 2014 Annual Report to Members

At this time of year IAAO looks both forward and back—to examine what has been achieved in the past year and what still needs to be done. Examining the accomplishments of IAAO at this time serves as a stepping stone that aids in the transition between one year and the next, between one administration and the next.

Meeting new board candidates, listening to committee updates, attending Annual Conference sessions on current issues, and hearing directly from IAAO leaders makes the process of transition more readily apparent, and it is a good process. The 80th Anniversary timeline series showcasing the history of IAAO appeared in *Fair & Equitable* and on the website this past summer. The timelines highlighted major IAAO milestones in the context of other significant historical events, in addition to presenting fun facts from the IAAO archives. The timelines were also featured in a special display at the Annual Conference in Sacramento. IAAO has a long history, and the future looks bright.

IAAO has a culture that embraces change. At times, change may seem random, but I can say with confidence that change at IAAO is seldom an accident. Behind the scenes, the Executive Board, committee volunteers, instructors, state representatives, and staff members are constantly exploring choices, thinking about the future, and consciously considering next steps.

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FAIR & EQUITABLE

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A Brief History of Intangibles in Ad Valorem Taxation

Tim Wilmath

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.

When I think of intangibles and real estate, I drift back to my favorite restaurant, Bern's Steakhouse in Tampa, Florida. Bern's is an institution, known for its aged steaks and extensive wine collection. It's consistently ranked one of the best restaurants in America, and reservations are needed weeks in advance. The restaurant has been in the Bern family since it opened in the 1950s. If the owners decided to sell the restaurant and the buyer was allowed to keep the Bern's name, the price would likely be in the millions of dollars. However, ignoring the business and looking only at the building, a buyer would be hard pressed to justify paying more than a few hundred thousand dollars for the real estate alone. The building, constructed in 1925, looks more like a warehouse than an upscale restaurant and is off the beaten path. That difference, between what a buyer would pay for a property with its business intact and what a buyer would pay for only the "sticks and bricks," is *intangible value*.

In most states, intangible assets are not taxed, at least not as part of the real estate assessment. Assessors must ensure their real estate assessments exclude any intangible value.

The issue of intangible value and property tax assessment has been a hot topic over the last couple of decades. Methods for identifying, measuring, and excluding intangible value have



Bern's Steakhouse in Tampa, Florida, looks more like a warehouse than an upscale restaurant. If allowed to keep the name, would a buyer pay more for the intangible value?
(photo by Tim Wilmath)

been debated by the best and brightest in the assessment business. Despite all that attention, the proper treatment of intangibles remains a contentious issue in the appraisal and property tax world.

The concept of intangibles is not new. Assessors have been wrestling with this issue for almost as long as the property tax has existed. A review of property tax cases from U.S. courts involving intangible value provides an enlightening history on the topic. It would be impossible to include all the cases involving this issue, but the following selection of cases provides a good overview.

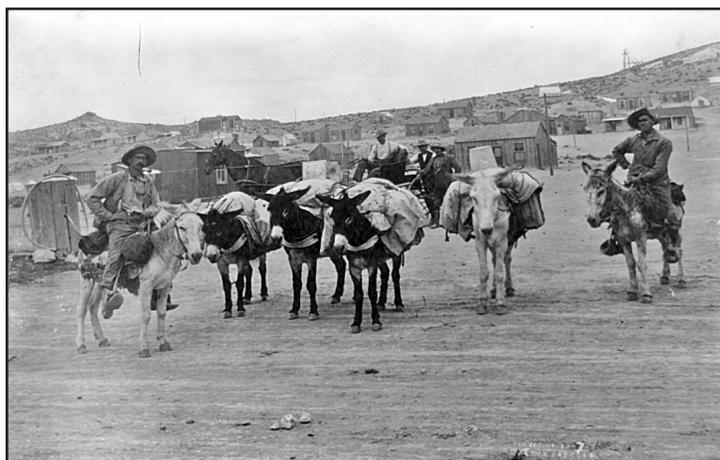
Debate Started 150 Years Ago

One of the oldest cases involving intangible value came from the gold mines of Nevada. In 1865, the year the Civil War ended, a case called *Hale & Norcross Mining Company v. County of Storey* (1865) decided the issue of whether possessory rights of a gold and silver mine were taxable, as was alleged by the assessor. The mine argued that any possessory rights were created by virtue of the miner's expertise and that without that expertise the mine had no value. Arguing that point, the taxpayer said,

It has been said that the miner is a naked trespasser, without claim of title, a licensee or else a strict tenant at will, not entitled to notice quit, and therefore having no valuable estate.

The court sided with the assessor and rejected the "naked trespasser" argument on the basis that the possessory interest was not an intangible but instead comparable to an "estate in fee."

The assessment of the National Express Telegraph Company was the issue in the 1894 Ohio case, *State ex rel. Poe v. Jones*. The central issue was who had the authority to assess the telegraph property: the state or local assessor. But one ques-



An 1865 case in Nevada determined that the possessory rights of a gold and silver mine were taxable, as alleged by the assessor. (1907 Nevada Gold Miners, courtesy of Library of Congress, public domain)

tion in the case was whether the value of shares of the capital stock enhanced the value of the real estate. On that issue, the court seemed to side with the assessor, saying,

Take an office building on a prominent street in one of our large cities. It will not be doubted that by care in the selection of tenants, and in the preservation of the reputation of the building by superior elevator service, by vigilance in guarding and protecting the property, by the exercise of skill and knowledge in the general management of the premises, a goodwill of the establishment will be promoted, which will tend to an extra increase in the earning capacity and value of the building.



In 1897, a court in Ohio ruled that the value of an express company's capital stock "is determined not so much by the value of the property...as by the skill, diligence, fidelity, and success with which they conduct their business." (public domain image)

In 1897, the question of whether the value of a company's capital stock could be used to accurately measure the value of its real estate was the issue in another Ohio court case, *Adams Express Company v. Ohio State Auditor* (1897). In that case, the taxpayer argued,

The value of the capital stock or shares of said company, and of express companies in general is determined not so much by the value of the property and appliances which they use in carrying on their business as by the skill, diligence, fidelity, and success with which they conduct their business. Said company employs many thousands of men, who are constantly engaged in carrying express packages, many of them of great value, from one part of the country to another, and its income and the value of its shares are largely the result their efforts, fidelity and integrity and of the skillful management and supervision of the business.

That argument by the taxpayer in the *Adams Express* case sounds similar to the "assembled workforce" argument that emerged in the 1990s and is discussed later in this article.

In 1906, a court case involving an electrical power plant was litigated in Iowa, *Lake City Electric Light Co. v. McCrary*. In that case the taxpayer challenged the assessor's valuation of the power plant on the basis that it included the value of the taxpayer's franchise. The court accepted the assessor's position that the franchise was considered but not included in the assessment. The court said,

We think that the existence of the franchise and the fact that the light plant was a going concern instead of a mere aggregation of dead material were matters which the assessor was entitled to consider in appraising the property, and that such valuation is in no manner inconsistent with the general proposition that the franchise as such is not a taxable item of property.

Over time, most states determined that the most efficient way to assess railroads was by valuing the entire property, then allocating that value to each jurisdiction based on the number of miles of railroad tracks, a technique called the "unit method," which is still in use today. Many railroad companies complained that this method improperly included the value of the business, not simply the real estate and tangible property. In the 1906 case, *Chicago & Northwestern Railway v. State et al.*, the court recognized the difficulty in separating the business from the real estate when it said,

The departure from the needful, trying to do the impracticable, would seem to be worse than useless. One might as well try to value the life blood of a horse, or his capacity to breathe, as try to place a value upon the visible part of railroad property separate from its rights, franchises, and privileges.

After these early decisions over the valuation of railroads, hundreds of cases followed that addressed the legality and methods for dealing with intangibles in railroad properties.

From Liquor Licenses to Film Negatives

In 1914, the Supreme Court of Delaware considered how a liquor license affected the value of a hotel in *Council of Newark v. Claringbold*. In that case, the court had to decide whether the assessment of the hotel was proper, as the assessor acknowledged that he considered the liquor license in the assessment. Although it would have been improper to affix a real estate assessment on the license itself, the court acknowledged that the property value was enhanced by the presence of a liquor license and was satisfied with the assessor's approach, saying,

There can be no doubt that a hotel with a liquor license would sell for more than one without a license, even if the current license was not transferred to the purchaser, because it would be assumed that a license could be obtained if there had been no violation of the law in the place.

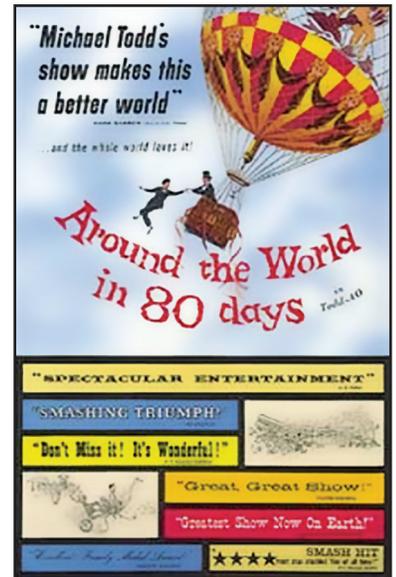
In another liquor license case from 1948, the Orange County, California, assessor attempted to tax a liquor license as personal property. In the resulting case, *Roehm v. County of Orange* (1948), the court struck down the separate assessment of the liquor license but seemed to open the door for the assessor to indirectly assess intangible rights when it said,

Intangible values, however, that cannot be separately taxed as property may be reflected in the valuation of taxable property. Thus, in determining the value of property, assessing authorities may take into consideration earnings derived therefrom, which may depend upon the possession of intangible rights and privileges that are not themselves regarded as a separate class of taxable property.

An often-cited case from 1962, *Michael Todd Co. v. County of Los Angeles*, involved the assessment of copyrighted film negatives for the 1956 Academy Award-winning motion picture, "Around the World in 80 Days." The taxpayer argued that the assessment improperly included the value of the copyright, arguing that without the copyright, the film could not be duplicated and therefore should be valued only on the basis of the physical material, which had a salvage value of \$1,000.

The assessor conceded that the copyright itself should not be taxed, but argued that the property is not transformed into an intangible merely by being protected by federal copyright law and therefore should be valued based on a completed film production. As in the *Roehm* liquor license case, the court determined that the assessor was precluded from separately assessing the copyright but was permitted to take into consideration the intangible benefits when estimating the value of the tangible property, saying,

"Market value" for assessment purposes is the value of property when put to beneficial or productive use; it is not merely whatever residual value may remain after the property is demolished, melted down, or otherwise reduced to its constituent elements. (Michael Todd Co. v. County of Los Angeles 1962)



In a 1962 case, the Michael Todd Co. argued that the assessment of copyrighted film negatives for the motion picture "Around the World in 80 Days" improperly included the value of the copyright. (fair use image from Wikipedia)

On the surface, the court's decision may seem a bit confusing. The film must be valued without the inclusion of the copyright but not at its salvage value. On first glance, the court's opinion would seem to contradict the facts in the case. An excerpt from the California State Board of Equalization Assessors' Handbook (1998), however, may help explain the apparent dichotomy:

Even though intangible assets and rights are not subject to taxation, the second fundamental principle states that tangible property should nonetheless be assessed and valued by assuming the presence of those intangible assets and rights that are necessary to put the tangible property to beneficial or productive use. Under this principle, an appraiser valuing tangible property must assume the presence of any intangible assets or rights necessary to the beneficial or productive use of the property being valued. The 'beneficial or productive use' is equivalent to the highest and best use of the property.

From Pari-Mutuel Licenses to Fast-Food Restaurants

In a Florida appellate case from 1970, the pari-mutuel license issued by the State of Florida to the Tropical Park horse track was considered intangible property. In making its decision in the case of *Metropolitan Dade County v. Tropical Park Inc.* (1970), the court said,

The trial court simply found that the income or profit of the race track business was not assignable to the real estate but rather to the intangible rights which have been granted the owner by the state in the form of a license to conduct pari-mutuel wagering. We think there is evidence to support this conclusion.

The Maytag Corporation sought a lower assessment on its manufacturing plant in Newton, Iowa, in 1973. There were several issues in the case, including whether the assessor could consider Maytag's business in the valuation of its real property. In *Maytag Company v. Partridge* (1973), the Iowa Supreme Court's decision mirrored those in many other intangible court cases, saying,

When an assessor considers the use being made of property, he is merely following the rule that he must consider conditions as they are. He is recognizing the effect of the use upon the value of the property itself. He is not adding on separate items for good will, patents, or personnel.

In the 1974 case, *Madonna v. County of San Luis Obispo*, a California appellate court affirmed a decision by the California State Board of Equalization overturning the assessment of the Madonna Inn on the basis of intangibles. The court quoted the board, saying,

A portion of the income from the property is largely predicated on the personal expertise in management of Mr. and

Mrs. Madonna. If the income approach is used, income to be processed must be the expected future income from the property to be appraised, excluding any income from businesses or enterprises carried on in the same property. Property income must be segregated from business income and only the former may be evaluated for property tax purposes. The income capitalization method, as applied to the Madonna Inn, is inappropriate and misleading in that enterprise income on said premises is improperly commingled and improperly included with income properly attributable solely to land and buildings.



In 1974 in California, an appellate court affirmed a decision by the State Board of Equalization overturning the assessment of a hotel property, the Madonna Inn, which had been based on intangibles. (photo courtesy of the Madonna Inn)

In another 1974 case, *Western Title Guaranty Co. v. Stanislaus County*, the assessor in Modesto, California, assessed a title company's physical records. The assessor argued that the title insurance records had value and no provision in California law exempted them. The title company sued, and the court had to decide whether a company's records were taxable tangible property or exempt intangible assets. Interestingly, during the court proceedings, the California legislature enacted a statute that exempted a company's records from property taxes, unfortunately for Western Title, not retroactive to the tax years in question. The court upheld the assessment in part, citing the newly passed statute as evidence that the records must have been taxable, otherwise the new statute would not have been necessary. In making its decision, the court noted,

The propriety of including nontaxable intangible values in the valuation of otherwise taxable property has been asserted by the courts in a variety of contexts, and market value for assessment purposes is the value of property when put to beneficial or productive use.

A 1985 case from the Supreme Court of Iowa involved a Burger King, a McDonald's, and a Perkins Family Restaurant. This was one of many cases in which taxpayers asserted that the inclusion of percentage rents in an income approach resulted in the improper addition of intangible value. The case of *Riso v. Pottawattamie Board of Review* (1985) hinged on whether percentage rent was reflective of real estate value or business value. The taxpayers argued that percentage rents are tied to profitability and therefore good management. They further asserted that because the quality of management is unique and not dependent on the owner's investment, percentage rents are actually based on special use or goodwill. The court rejected that argument, saying,

That substantial revenues will be generated by any of the leading fast-food restaurants of the kind involved here is no surprise. Those revenues are largely a product of the use of the property in the contemplated manner. Percentage rents thus constitute a return on investment in the same manner, if not always to the same extent, as base rent.

The Rushmore Method

In the 1989 case, *Glenpointe Assocs. v. Teaneck*, the issue at hand was the intangible value of the Loews Glenpointe Hotel in Teaneck, New Jersey. The taxpayer's appraiser estimated the value using the income approach and accounted for business value by capitalizing a management fee, a method that would later be known as the Rushmore method, named after the creator of the technique, Stephen Rushmore, President of HVS International. The assessor argued that the hotel was a special-purpose property and should be valued by the cost



In a 1989 case in New Jersey, the court agreed with the taxpayer that the intangible value of the hotel should be removed by including a management fee to account for the value of the business, a method that come to be known as the Rushmore method. (photo courtesy of <http://www.teaneck.org/virtualvillage/postcards/businessbuilding/business.htm>)

approach. The court rejected the assessor's argument and embraced the taxpayer's technique for removing intangible value by including a management fee to account for the value of the business. The court cited Rushmore in his book *Hotels, Motels and Restaurants: Valuations and Market Studies* hotel and an article in the *Appraisal Journal* as the basis for its decision, saying,

One method of separating the real estate and business interest in hotel valuation is to extract from hotel revenues the fee paid by the owner to a management company pursuant to a management contract. See, e.g., Rushmore, Hotels, Motels and Restaurants: Valuations and Market Studies (1983) at 105–106; Nelson, Messer and Allen, "Hotel Enterprise Valuation," The Appraisal Journal (April 1988) at 163–164. This is the technique adopted by the expert in this case. I find it to be reasonable.

In the 1990s dozens of articles on the treatment of intangibles and an almost equal number of court cases appeared. These articles and related court cases extended the debate about the proper treatment of intangibles. Until the early 1990s many courts seemed satisfied with assessors "considering" the presence of intangibles in real estate assessments without actually doing anything to remove them.

But in 1993, a California court addressed the issue directly. In *GTE Sprint Communications Corp. v. County of Alameda* (1994), the taxpayer challenged the assessment of its tangible property on the basis that the assessor improperly included

the Sprint trade name, customer base, assembled workforce, favorable broadband leases, favorable property leases, advertising agency relationships, favorable debt financing contracts, inventory of advertising materials, start-up costs and other intangible assets.

During the case, the assessor asserted that the intangible assets were not directly assessed, acknowledging, however, that the tangible property was "enhanced" by the presence of intangibles, a premium that the law permitted. The court rejected the assessor's position in a scorching opinion, noting,

While paying lip service to the concept of exempting intangible assets from taxation, the Board and its appraisers take a very myopic view of the rule when presented with substantial evidence showing the presence of such intangible assets. Recent cases have held that the very same intangibles identified and valued by Sprint must be excluded from assessment.

In a 1998 case, *Analogic Corporation v. Peabody*, a Massachusetts court considered the assessment of a Marriott hotel. The taxpayer's appraiser made deductions in the income approach for a management fee, startup costs, initial inventories, and working capital. The taxpayer argued that these items were "intangible assets, separate from the realty,

but which contributed to the production of income for the hotel.” The court accepted those adjustments as being appropriate, saying,

Analogic’s case for these items was neither unprecedented nor without foundation. These assets are part of the hotel’s business enterprise value, and an investor could reasonably expect a return on his non-realty investment capital.

In its decision, the court quoted an excerpt from *The Appraisal of Real Estate* (Appraisal Institute 1996), which said,

Business enterprise value is a value enhancement that results from items of intangible personal property such as marketing and management skill, an assembled work force, working capital, trade names, franchises, patents, trademarks, non-realty related contracts or leases, and some operating agreements. Going-concern value is the value created by a proven property operation with income sufficient to pay a fair return to all the agents of production. It consists of the total value of the real property; personal property such as furniture, fixtures and equipment; and intangible personal property, or the business enterprise.

In 1999, a case involving a hotel in Overland Park, Kansas, solidified the use of the Rushmore method. In *Marriott Corp. v. Board of Johnson County* (1999), the county’s experts used the Rushmore method in their income approach. Marriott attacked the Rushmore method, asserting that it included “nontaxable business value” in the assessment. The court rejected the taxpayer’s position and cited several court cases in which the Rushmore method was accepted by the courts. In its finding, the court said,



In 1999, Johnson County (Kansas) experts used the Rushmore method in their income approach to valuing a Marriott hotel. Marriott attacked the method, asserting that it included “nontaxable business.” The court rejected the taxpayer’s position, citing several court cases in which the Rushmore method was accepted by the courts. (photo by Tim Wilmath)

It appears to us that the Rushmore model has been accepted in a number of litigated matters and rejected in none that have been brought to our attention. There is certainly nothing in this record to indicate the Rushmore method was so inappropriate and so badly flawed that its use requires a reversal of the valuation of the Marriott.



Although many courts have accepted various methodologies for identifying and removing intangible value from hotels, they have consistently rejected providing tax relief for malls on that basis. (photo courtesy of K/O Architects, www.k-o.com)

In the 1990s several regional mall court cases involved intangibles. The primary argument in most of these cases was that that superior management (an intangible) brought about the optimal mix of anchors and inline tenants. In *Merle Hay Mall v. Board of Review* (1997), the Iowa Supreme Court rejected the taxpayer’s business enterprise value argument, saying,

Further, the business enterprise value concept seems to be used almost exclusively in tax assessment cases; it is not used in all mall appraisals. Significantly, one appraiser who had used the theory several times in tax assessment cases testified that he had never used it when a mall requested an appraisal for the purpose of obtaining a mortgage loan. Apparently, no assessor in Iowa applies this theory, and there is no uniformly accepted methodology to do so.

Although many courts have accepted various methodologies for identifying and removing intangible value from hotels, they have consistently rejected providing tax relief for malls on that basis.

During the 1990s there were many other intangible-related lawsuits on other property types in addition to those involving hotels and malls. Property tax lawsuits involving cable television companies, landfills, grain elevators, sports stadiums, golf courses, power plants, paper mills, landfills, low-income tax credit properties, and even single-family homes were litigated on the basis of intangibles.

In an interesting case, *Appleby v. Nolte* (1996), a Florida court had to decide whether golf memberships sold with single-family homes in Vero Beach constituted intangible value. In making the assessments, the Indian River Property Appraiser relied on single-family sale prices, some of which included consideration for golf memberships. Both parties agreed that homes that included golf memberships sold for more than those that didn't. In ruling in favor of the taxpayer, the court said,

Furthermore, appellee's assessments are based on who owns the property. If a golf member owns a residential unit, the assessment is one amount. If a non-golf member owns the same residential unit, the assessment is a lower amount. The Florida Supreme Court has held that ownership in one party or another is not a valid criterion for valuing property

The modern era of intangibles in property taxation really began in 2001, with the introduction of Course 800 from the Appraisal Institute, "Separating Real Property from Business Assets." Almost simultaneously, the institute published *A Business Enterprise Anthology* (Appraisal Institute 2001), a collection of articles and court cases on the topic of intangibles and real estate valuation.

Course 800 introduced a new lexicon to describe many of the terms related to intangible valuation. Traditional terms, such as *business value*, *going concern*, and *goodwill*, were replaced with new terms, such as *business enterprise value*, *market value of the total assets of the business*, and *residual intangible assets*. The course was criticized by some in the appraisal and assessment community because it was perceived as being slanted toward property tax appeals and omitting any discussion of the Rushmore method. After three years, the Appraisal Institute withdrew the course for review and evaluation.

Rushmore versus Lennhoff

This period also began a debate between David Lennhoff, the primary author and instructor of Course 800, and Rushmore, the creator of the Rushmore method. These two appraisal industry giants publicly debated the issue for a number of years inside and outside the courts.

The debate came to a head in a New Jersey tax court when Rushmore and Lennhoff were pitted against each other in the 2005 case *Chesapeake Hotel LP v. Saddle Brook Township*. The case involved the assessment of the Marriott Hotel in Saddle Brook, New Jersey, and the primary issue in the case was the proper methodology for identifying and removing intangibles. The assessor used the Rushmore method, and Lennhoff applied what would come to be known as the BEV approach. The primary difference between the two approaches was Lennhoff's inclusion of an adjustment for "business

start-up costs" and his treatment of furniture, fixtures, and equipment. In a much anticipated decision that took the court three years to render, the Rushmore method prevailed and the court rejected Lennhoff's BEV approach, saying,

In the present case, the adjustments proposed by Lennhoff to the Rushmore method have both theoretical and empirical aspects. In other words, they are made for stated reasons, and they rest on particular data. In order for any adjustment to have persuasive force in a factual finding of value, it should rest on cogent reasoning and be founded on reliable data. Lennhoff's proposed adjustments, on the whole, are not persuasive either for theoretical or empirical reasons.



In determining the value of a Red Roof Inn in Jessup, Maryland, in 2006, the assessor used the Rushmore method. The petitioner used the BEV approach. The court rejected the latter on the basis that it was academic. (photo by Tim Wilmath)

The decision in the *Saddle Brook* case was mirrored in a 2006 case involving the assessment of a Red Roof Inn in Jessup, Maryland. In *RRI Acquisition Company, Inc. v. Supervisor of Assessments Howard County* (2006), the issues related to the treatment of intangibles were almost identical to those in *Saddle Brook*. The assessor utilized the Rushmore method, and the petitioner utilized Lennhoff's BEV approach. In its decision, the court rejected the BEV approach on the basis that it was academic in nature, saying,

The Court finds that the Lennhoff approach includes impermissible adjustments to the Rushmore approach, which were either duplicative or not supported by the market place. Consequently, the Court must reject Mr. Lennhoff's appraisal as his theories and methodologies are academic constructs unsubstantiated by the market. Respondent's appraisal closely reflects the Rushmore methodology, which is market driven and tested

A Virginia court approved the BEV approach for extracting intangibles in *WXIII/Oxford–DTC Real Estate, LLC v. Loudoun County Board of Supervisors* in 2004. That case involved a 1.2-million-square-foot training center. The Xerox Corporation had previously owned and occupied the facility but sold it in 2000. The new owner, Oxford, intended to convert the facility into a national conference center, which would require extensive renovation. The appraiser for the jurisdiction used the Rushmore method, and Lennhoff, the appraiser for the taxpayer, utilized the BEV approach. The court cited Appraisal Institute Course 800 in its decision in favor of the taxpayer, saying,

Overall, I think that Lennhoff based his opinion as to value more closely to exactly what was occurring with the property than did Johnson. Lennhoff recognized that the use of the property was being changed and, as a result, the value of intangibles, such as start-up expenses and the cost of assembling a work force, has to be determined before the value of the real estate can be ascertained. Johnson did not consider a value for the intangibles. This appears to be the difference between the older Rushmore method (intangibles excluded) and the newer “Course 800” method (intangibles included). I find the “Course 800” method to be the currently more accepted method to value real estate connected with or part of a going concern.

In 2011, the Appraisal Institute published the second edition of *A Business Enterprise Value Anthology* (Appraisal Institute 2011). Similar to the first edition, it contained articles and court cases on the topic of intangibles and real estate. Shortly thereafter, the institute launched Course 833, “Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets.” This was a revamped version of Course 800 offered in 2001. Ten years had passed since Course 800 was introduced; however, the debate over the proper way for allocating intangibles was no closer to resolution. Once again, the course generated criticism from some in the appraisal and assessment world. The Appraisal Institute acknowledges this ongoing debate in its course disclaimer,

Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets contains diverse opinions regarding appraisal theory and applications. Neither this course nor the Appraisal Institute advocates a particular theory or method. Rather, each appraiser must come to his or her own conclusion based on the property type, local market customs, and scope of work. (Appraisal Institute n.d.)

Critics of the BEV method taught in the course generally fall into two camps: assessors who are the target of hotel tax appeals in which the approach is used and appraisers who are active in preparing appraisals for bank financing. Many

assessors fear that the methods taught in the course could result in unjust property tax reductions. Appraisers who primarily perform evaluations for bank financing fear that embracing these methods could result in lower valuations for real estate, potentially jeopardizing the transaction.

Bank appraisers rarely if ever allocate value to intangibles. An Ohio court recognized the disparate treatment of intangible value in the assessment arena versus the lending community. In *Hilliard City Schools v. Franklin County Board of Revision* (2011), the issue was the assessment of the 80-room Hawthorn Suites hotel. The taxpayer sought a reduction based on the value of personal property and goodwill, pointing to the amounts it had allocated in its balance sheet to those items. However, an appraisal prepared for the owner in conjunction with bank financing allocated different amounts. The court rejected the tax appeal, saying,

Allocating \$800,000 to personal property conflicts with other evidence that more closely relates to the sale. The appraisal prepared for K.D.M.’s lender in December 2004 determined a value of \$3,265,000 for the realty itself and separately stated a value of \$280,000 for personal property and \$34,077 for business value. Given the other reasons for not relying on the year-end financial statement, we conclude that the existence of contrary evidence furnishes a powerful reason to reject it.

In 2013, a final decision was reached in the long-fought California case, *EHP Glendale v. County of Los Angeles*. The case involved the assessment of the Glendale Hilton in the year following its sale. The new owner argued for a lower assessment on the basis that the price included intangibles, specifically franchise and management agreements, the assembled and trained workforce, and the hotel’s various service centers. The assessor utilized the Rushmore method in extracting intangibles—a technique the taxpayer argued was invalid. The owner’s expert utilized the BEV approach.

What made this case particularly interesting is that Section 502 of the California State Board of Equalization Assessors’ *Handbook* (1998, sec. 502, 162) appeared to disallow the use of the Rushmore method (without specifically identifying it) by saying,

The value of intangible assets and rights cannot be removed by merely deducting the related expenses from the income stream to be capitalized. Allowing a deduction for the associated expense does not allow for a return on the capital expenditure.... Similarly, the deduction of a management fee from the income stream of a hotel does not recognize or remove the value attributable to the business enterprise that operates the hotel.

In approving the assessment, the appellate court rejected the taxpayer’s argument that the assessor’s use of the Rushmore

method violated California law and, more specifically, Section 502 of the *Assessor's Handbook*, saying,

Neither the Board nor the trial court found House's (the assessor) disagreement with Section 502 problematic, nor do we. Assessors handbooks are not regulations and do not possess the force of law, although they serve as a primary reference and basic guide for assessors, and have been relied upon and accorded great weight in interpreting valuation questions.



A 2013 case in California involved the assessment of the Glendale Hilton in the year after it was sold. The assessor had used the Rushmore method in extracting intangibles; the new owner's expert used the BEV approach. The court approved the assessment. (photo courtesy of Roberta Kruger)

With the *EHP Glendale* decision, the issue of intangibles might be considered somewhat settled, at least in California. But before the ink was dry in that decision, another California court came to an opposite conclusion in May 2014, *SHC Half Moon Bay v. County of San Mateo*. This case involved the assessment of the Ritz Carlton Half Moon Bay Hotel. Similar to the *EHP Glendale* case, the assessor used the Rushmore method for excluding intangibles, and the taxpayer argued that the Rushmore method is too limited.

The judgment of the trial court is reversed. The trial court is directed to enter a new and different judgment in favor of SHC and against the County, determining the method used by the Assessor and approved by the Board to calculate the value of the property violated the standards prescribed by law because it failed to identify, value, and remove the value of the following intangible assets and rights from the hotel's income stream prior to taxation: (1) the hotel's workforce; (2) the hotel's leasehold interest in the employee parking lot; and (3) the hotel's agreement with the golf course operator. The trial court shall remand

the matter to the Board to recalculate the value of the property applying the income method consistent with the views expressed in this opinion.

Conclusions

Almost 150 years after *Hale & Norcross Mining Company v. County of Storey*, the issue of intangibles is still unsettled. The appraisal and assessment community does not agree on the proper methodology for identifying and removing intangibles, nor do the courts.

Despite the somewhat conflicting rulings from the courts over the years, some conclusions can be reached about intangibles in property taxation. First and foremost, intangibles in real estate valuation is a property tax issue. Bank appraisers and eminent domain appraisers rarely address the issue. Bank appraisers are reluctant to make business value deductions for fear of killing a deal. Goodwill and other intangibles are not compensable in eminent domain proceedings, so condemnation appraisers rarely address the issue either. The first edition of *A Business Enterprise Anthology* (Appraisal Institute 2001) references 35 court cases and administrative hearings related to intangibles, and the second edition (Appraisal Institute 2011) includes an additional 51. Every one of these court cases is a property tax case. If the proper methodology for identifying and measuring intangible value in real estate valuation is ever going to be settled, it will happen in the property tax arena.

The appraisal and assessment community does not agree on the proper methodology for identifying and removing intangibles, nor do the courts.

Another common denominator of the many cases related to intangibles and property tax valuation is the way value is measured in the income approach. For most property types, the issue of intangibles is avoided by utilizing the income generated by the *property*. The issue of intangibles becomes relevant only when the income from the *business* is utilized to measure the value of the property. This is standard operating procedure for most of the property types highlighted in this article: hotels, railroads, cable TV companies, and so on. Unfortunately, eliminating the income approach to avoid the potential of including intangible value is not always a solution, as the assessor painfully discovered in *Glenpointe Assocs. v. Teanek* (1989).

The Rushmore method is by far the most utilized and accepted method for identifying and measuring the value of intangibles in property tax cases. Nevertheless, the courts

have not universally accepted that method. Hundreds of court cases were reviewed in the preparation of this article, and the cases discussed here are meant to best represent the evolution of and debate on the topic of intangibles. *Goodwill, going concern value, business enterprise value*—whatever it's called—the jury is still out on the proper method for identifying and measuring intangible value in real estate assessments. This debate will likely continue for many years to come. In the meantime, I will be at Bern's Steakhouse enjoying a porterhouse and a nice glass of cabernet sauvignon.

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Merle Hay Mall v. Board of Review, 564 NW 2d 419 - Iowa: Supreme Court 1997.

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SHC Half Moon Bay v. County of San Mateo, 226 Cal. App. 4th 471 (2014).

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Tim Wilmath, MAI, is a Valuation Specialist with the Hillsborough County Property Appraiser's Office in Tampa, Florida, a jurisdiction of 500,000 parcels. He has been involved in appraising for over 25 years and ad valorem assessments for 15 years. Tim earned a bachelor of science degree in business administration from the University of South Florida and currently holds the MAI and SRA designations from the Appraisal Institute. Tim also worked as a property tax consultant with LodgeTax, representing hotel owners and managers nationwide. Tim was the recipient of the IAAO Bernard L. Barnard Outstanding Technical Essay Award for "Mass Appraisal of Hotels" in 2006.





Educational Exemptions

A Tennessee-based international association of drafting professionals will qualify for a personal property exemption on its office equipment after all. The group's educational exemption on the equipment was initially denied because it did not conduct its educational programs on its premises. While the association stored its course materials at its headquarters location, the actual instruction took place off-site. Also, while the organization's computer-based certification examination had been written on its office computers, test-takers accessed the exam from cloud-based storage provided by a third-party vendor. The organization's appeal was heard before an administrative judge at the Tennessee State Board of Equalization.

The organization's executive director testified that the group had "exclusively dedicated itself" to creating certification standards for drafting professionals, providing certification exams, and offering educational opportunities both through individual programs and the association's annual conference. All the activities at the association headquarters were meant to further these educational purposes. According to the executive director, the office equipment was used primarily for administration, maintenance of membership rolls, and billing of membership dues.

The judge found that the office equipment use was "directly incidental" to the educational purposes of the organization. The judge said that considering "contemporary advancements in technology, educational processes, examination techniques, and professional certifications," he could find no "compelling reason" why an educational exemption should be limited to a classroom location.

(In re: American Design Drafting Association, Tennessee State Board of Equalization, Order No. 67372, April 1, 2014)

Affordable Housing Valuation

The Vermont legislature has passed a provision that redefines the fair market value of owner-occupied residences that are purchased through an affordable housing program. The law states that the existence of a housing subsidy covenant that limits the price for which the property can be resold "shall be deemed to cause a material decrease in value." It then sets the appraisal value for such property at not less than 60 percent and not more than 70 percent of the fair market value of a similar property without a housing subsidy covenant. Qualifying residences can be purchased through programs offered by governmental, quasi-governmental, or public-purpose agencies.

The provision addresses last year's decision by the Vermont Supreme Court (see "Legal Trends" November 2013) that determined that the fair market value of these properties is the sale price the affordable housing organization would charge a new buyer. It is not the restricted price that a buyer agrees to resell the property to the organization. Sale prices to new buyers typically are based on fee appraisals conducted prior to the sale.

The statute also provides that every five years, the General Assembly will revisit the amount of the appraisal value reduction based on the recommendation of the Commissioner of Taxes and the Vermont Housing Conservation Board. The new value limits will be implemented beginning with the 2015 grand lists.

(Vermont General Assembly, H884, signed June 5, 2014; Gillian Franks v. Town of Essex, Rockingham Area Community Land Trust v. Town of Rockingham, Vermont Supreme Court, Docket nos. 2011-359 and 2012-258, September 27, 2013)

Charitable Exemptions

The Washington state legislature has defined how much for-profit activity a nonprofit organization can conduct on its property and still retain its property tax exempt status.

Under the statute, exempt property may be used for nonexempt purposes for not more than 50 days within a calendar year and it may be used for profitmaking activities or to promote business activities for no more than 15 of those days. Days before or after an event needed for setup or takedown are not counted against these totals. The rent charged or donation requested for using the exempt facility must not exceed the maintenance and operating expenses for that portion of the property used for the nonexempt purpose.

The statute permits organizations to host fundraising events without limitation on their property so long as the events are consistent with the organization's purpose. The statute further allows organizations to sell donated items on their premises but only if the funds are used to finance the organization's operations. Religious organizations are specifically granted permission to host farmers markets on their grounds but only for a maximum of 53 days each year.

An inadvertent nonexempt use of an exempt property will not lead to a loss of exempt status as long as the occurrence is an isolated incident and does not represent a pattern of use. The statute defines pattern of use as two such inadvertent uses within the same assessment year or a repetition of the use in two or more subsequent years.

(Washington 63rd Legislature—2014 Regular Session. S6405, signed March 27, 2014)

(continued on next page)

Agricultural Use Classification

Commercial marijuana growers in Washington state will not be able to claim agricultural land use for their crop. A bill recently passed by the state legislature disqualifies marijuana-grow-

ing operations from current use classification as farm and agricultural land as well as open space and timberland. This exclusion applies whether the cultivation is conducted in an agricultural or a horticultural setting. The legislation also bars the personal property exemp-

tion granted to machinery and equipment used in agriculture.

(Washington 63rd Legislature—2014 Regular Session, S6505, signed March 28, 2014)

Save the Date!

19th Annual GIS/CAMA Technologies Conference • March 2–5, 2015
Renaissance Oklahoma City Convention Center Hotel • Oklahoma City, OK

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Preconference Workshops:

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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.

Valet parking is available for \$25 per day or a half day rate charge of \$15.

Be sure to mention you are with the GIS/CAMA Conference. The hotel is connected to a public parking facility via skywalk, however, the hotel does not control public parking rates.

Sponsors

The GIS/CAMA Technologies Conference is sponsored by the International Association of Assessing Officers and the Urban and Regional Information Systems Association.



Election Reminder

Vote for Executive Board Candidates in the 2014 Election, November 1–30

Regular members of IAAO in good standing as of October 1, 2014 may vote in the 2014 election using an official ballot, which will be provided by IAAO via mail and e-mail. If you have moved or changed your contact information, IAAO asks that you update your member profile. Sign in at www.iaao.org and go to Sign In (at the top). When updating do not create a new profile. If you can't remember your Username and Password contact membership@iaao.org. NOTE: Members sharing an e-mail address with colleagues will not be able to vote electronically.

It's a Party and You're Invited to Join in the Celebration of IAAO's 80th Anniversary!

Instead of IAAO receiving gifts, IAAO is handing out a gift each month to those who recruit new members in 2014. The more members you recruit, the more opportunities you have to be chosen to receive an Anniversary gift!

Prizes include: Nook; Portable DVD Player; Camcorder; IAAO Books; Keurig; Headphones; IAAO Webinar; Garmin GPS; Target Gift Card; Amazon Gift Card; 2015 IAAO Membership Renewal and a Grand Prize of \$800 Cash.

It's a celebration all year long and your participation is requested. For more information contact the Membership Department at membership@iaao.org.

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- Mathematics for Assessors
- 7-Hour National USPAP Update
- Understanding Real Property Appraisal

IAAO.org



WORLD NEWS

China's new property registration system: Real estate taxes in the pipeline

(published September 1, 2014)

by Sara Hsu, *The Diplomat*

Article discusses the establishment of a Bureau of Real Estate Registration as a first step toward implementing a nationwide property tax in China. Currently, local income from property transactions is realized at the time of land sales. The new bureau is intended to create transparency in property transactions and reduce localized corruption associated with land sales. The creation of the bureau and associated legislation by the National People's Congress are precursors to creating a national property tax system by as early as 2016.

For more information, go to: <http://thediplomat.com/2014/09/chinas-new-property-registration-system-real-estate-taxes-in-the-pipeline/>.

Ministerial meeting upcoming to resolve property tax crisis on hotels: Tourism ministry official

(published September 1, 2014)

by Abdel Razek Al-Shuwekhi

Article discusses efforts to change the basis for property tax on hotels in Egypt from market value to replacement value. The intent is to reduce property tax pressure on hotels that have seen a 41 percent decline in tourism in the past year since the January 25 [2011] revolution that eventually resulted in an overthrow of the existing national government.

For more information, go to: <http://www.dailynewsegypt.com/2014/09/01/ministerial-meeting-upcoming-resolve-property-tax-crisis-hotels-tourism-ministry-official/>.

SUSTAINABLE PRACTICES

S.F. property owners to get tax break from creating urban farms

(published August 31, 2014)

by Tara Duggan

Article discusses approved legislation that allows recategorization of empty urban lots in San Francisco as irrigated farmland. The legislation offers significant reductions in property tax if the land is converted to urban garden space for an allotted period of time. The new law encourages improvement of empty lots, reduction of blight, and fulfills a demand for garden space by urban residents.

For more information, go to: <http://www.sfgate.com/bayarea/article/S-F-property-owners-to-get-tax-break-from-5725876.php>.

Recycle waste and get rebate on property tax: Civic Body

(published August 29, 2014)

by *The Times of India*

Article discusses a plan to encourage waste reduction in the Thane Municipal District, India, by offering a rebate on property taxes for housing complexes that meet the waste reduction goal. The rebate

would be offset by savings in transporting waste long distances to a dumping ground. Thane is the most populous district in India.

For more information, go to: <http://timesofindia.indiatimes.com/city/thane/Recycle-waste-and-get-rebate-on-property-tax-Civic-Body/article-show/41116428.cms>.

PERSONAL PROPERTY TAX

Even after PPT repeal, business groups remain focused on Michigan's tax climate

(published August 31, 2014)

by Mark Sanchez, *MiBiz*

Article discusses the aftermath of Michigan's successful efforts to eliminate its business property tax on manufacturing equipment. In essence, the article states that the process is incomplete and needs continued attention to ensure there are no reverses to legislation that affects the business climate and that it continues to improve.

For more information, go to: <http://mibiz.com/item/21800-even-after-ppt-repeal-business-groups-remain-focused-on-michigan%E2%80%99s-tax-climate>.

PROMISES, PROMISES

Gov. Rick Scott's most ambitious proposal: a constitutional amendment to prevent property tax increases on homesteaded property if a home's value stays level or goes down.

(published August 30, 2014)

by Steve Bousquet and Michael Van Sickler, *Bradenton Herald*

Article discusses campaign trail promises by Governor Rick Scott of Florida. The promises are for \$1 billion in tax and fee cuts, including an additional cap on property tax increases on homestead property if the value stays level or goes down.

For more information, go to: <http://www.bradenton.com/2014/08/30/5329898/gov-rick-scotts-most-ambitious.html>.

NORTH DAKOTA PROPERTY TAX RELIEF

North Dakota seems headed for worst of all possible outcomes on property taxes

(published August 27, 2014)

by Rob Port, *SayAnythingBlog.com*

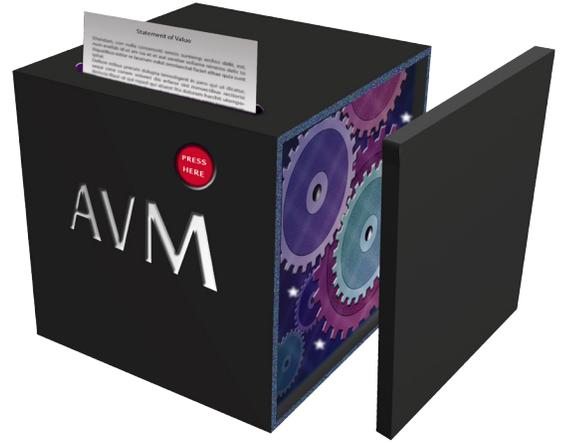
Watchdog blogger Port criticizes a short-term policy by North Dakota Governor Jack Dalrymple that appropriates local expenses, such as school funding, from local budgets into the state budget by drawing from surplus state funds. The short-term action goes against the "keep it local" vote on a hotly debated ballot measure in 2012 that shot down an effort to abolish property taxes in favor of state funding of local expenses.

For more information, go to: <http://sayanythingblog.com/entry/property-taxes-2/>.

Original Development of the AVM Standard and an Anticipated Update

Alan Dornfest, AAS

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.



In 2002, then IAAO President Paul Welcome, CAE, formed an Ad Hoc committee to develop a technical standard providing guidance on automated valuation models (AVMs). At the time, AVMs were coming into use throughout the appraisal industry. IAAO is a long-standing provider of guidance in the form of its technical standards, and by creating a standard on AVMs at a time when no such guidance existed, IAAO intended to fill a gap and provide an independent source of high-quality industry guidance for external property valuation systems.

I was asked to chair the committee, comprising Patrick O'Connor, Larry Clark, CAE, Robert Gloudemans, Mike Ireland, CAE, Bill Wadsworth, and Nancy Tomberlin (participating as 2002–2003 chair of the Technical Standards Committee and as liaison between the committees). The *Standard on Automated Valuation Models (AVMS)* (IAAO 2003) developed by the committee was approved by the IAAO Executive Board in September 2003. The committee continued to meet for about a year and was then disbanded.

Recent discussions between the IAAO Technical Standards Committee and the Research Committee have concluded that the AVM standard needs to be updated to reflect current AVM thinking and practices as well as amendments to the *Standard on Ratio Studies* (IAAO 2013) and possibly other standards. This article describes the original development of the standard, its contents, and ongoing efforts to showcase it.

What Are Automated Valuation Models?

An AVM is

a mathematically based computer software program that produces an estimate of market value based on market analysis of location, market conditions, and real estate characteristics from information that was previously and separately collected (IAAO 2003, sec. 2.1.1).

These models are further distinguished from other appraisal methodologies in that the estimate of market value is produced through mathematical modeling, without necessarily including the traditional component of physical inspection.

Although AVMs are more typically used in the private sector, they are very similar to mass appraisal tools, such as CAMA (computer-assisted mass appraisal) systems, commonly used by assessing officers and appraisers in the public sector—in other words, typical IAAO members.

In the early 2000s, private-sector standards had not been developed for evaluating AVMs. Consequently, there was no way to evaluate the quality of the results or provide consistent guidelines to vendors, AVM developers, or users of the results. The effectiveness and accuracy of CAMA systems, however, can be evaluated by using established standards for ratio studies and mass appraisal. A major concern was that mathematically based *black box* systems, driven by invisible formulas, were generating values being deemed as appraisals, but not subject to sufficient independent scrutiny.

Development of the Standard

Depending on their individual expertise, members of the Ad Hoc committee were assigned to research and develop different portions of the standard. Those with direct, hands-on CAMA model-building experience worked on sections addressing model calibration and specification. These sections included information on the application of the traditional three approaches to value in an AVM environment.

Committee members with expertise in ratio studies and quality assurance worked on extracting relevant information from the *Standard on Ratio Studies* (IAAO 1999) and the *Standard on Mass Appraisal of Real Property* (IAAO 2002) for use in the AVM standard.

Committee members also reached out to private-sector parties, such as the Mortgage Bankers Association, and private-sector individuals with industry expertise, who could *truth test* the draft standard. As a result of this broad stakeholder involvement, additional issues not found in the *Standard on Ratio Studies* were identified. Issues such as appraiser-assisted AVMs, frequency of updates, model diagnostics, and hit rates (“...a measure of the number of usable AVM valuation reports compared to the total number of valuation reports requested” [IAAO 2003, sec. 8.5]) were considered

and addressed within the new standard. The IAAO Executive Board adopted the AVM standard in September 2003.

An area of considerable controversy was whether the results of an AVM can be considered to be an appraisal. Notably, the *Standard on Automated Valuation Models* takes the following position:

AVM values reviewed for reliability, and generated in compliance with USPAP Standard 6 are considered appraisals (IAAO 2003, sec. 2.1.2).

Both sides of this issue were aired at an AVM Symposium held in Arlington, Virginia, in March 2004. Although the issue was never completely resolved, the language in the standard appears to be consistent with *USPAP*, which defines mass appraisal as

...the process of valuing a universe of properties as of a given date using statistical methodology, employing common data, and allowing for statistical testing (TAF 2005, p. 4).

In fact, this language has remained unchanged, and the standard has not been amended or updated since its adoption. The standard does acknowledge, however, that,

Credibility of an AVM is dependent on the data used and the skills of the modeler producing the AVM (IAAO 2003, sec. 2.1.2).

In addition to this controversy, the standard is limited in that it does not apply to specialized or unique property, machinery, or equipment or in cases of non-market-value appraisals (IAAO 2003, sec. 1).

Contents

The standard addresses the following AVM-related topics:

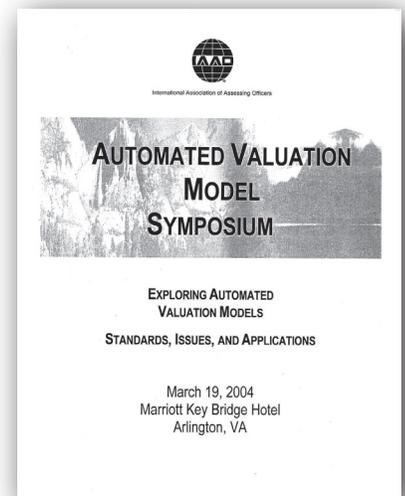
- Differences from traditional valuation, including advantages such as objectivity, consistency, speed, and low cost
- Cautions
 - Must follow sound statistical and mathematical modeling practices
 - Must be tested for accuracy and uniformity before application
 - Will not provide accurate estimates in cases in which market value is impaired due to superadequacy or functional obsolescence
- Development steps
 - Property identification
 - Documentation of assumptions, special limiting conditions, extraordinary assumptions, and hypothetical conditions

- Data management to ensure use of valid, verified sales
- Model specification
- Model calibration
- Testing and quality assurance, including ratio study standards, statistical diagnostics, hold-out samples, and outlier identification and trimming
- Model application and value review procedures, including testing and validation before application to other properties and review of generated values for reasonableness and consistency
- Stratification
- Value defense

One goal in developing this standard was that the product be applicable in a wide variety of property valuation disciplines and purposes beyond the assessment profession. In addition to involving private-sector industry representatives to participate and provide feedback, the committee used terms more familiar to appraisers than to assessors. For example, although quality assurance content was largely adopted from the *Standard on Ratio Studies* (IAAO 1999), the terminology was changed to use more standard statistical terms, instead of terms specifically associated with assessment. Finally, terms such as *hit rates* and *standardized addressing* were added because they were in common use in the private sector.

Ongoing Efforts to Showcase the Standard

Following formal adoption of the *Standard on Automated Valuation Models*, the committee remained in operation for about another year. The committee organized an AVM Symposium in March 2004 in Arlington, Virginia, to encourage discussion of the standard, including controversial sections. Presenters were committee members who developed the standard, AVM vendors and developers, risk management bankers, a representative of the Appraisal Institute, IAAO members with particular perspectives or concerns, and a member of The Appraisal Foundation Appraisal Standards Board. The symposium was well attended and was introduced by then IAAO President Fred Chmura, AAS, who announced that the goal of IAAO was



...to provide a national forum for the dissemination of both theoretical and practical information within the field of property valuation...to assist in the further development of the field's theory and practice and place policies, methods, techniques, and practices into their fiscal and economic context...and to discuss the future of this methodology (Chmura 2004).

Following the symposium, on July 15, 2004, the Joint Industry Task Force on Automated Valuation Models informal steering committee met in Denver to further discuss AVMs and, as its charter states, to “develop and publish a comprehensive set of common principles, standards, and requirements for AVMs” (Olsen 2004). The task force comprised representatives from IAAO, the Collateral Risk Management Consortium, and the Appraisal Institute.

In the summer and fall of 2004, there were several additional AVM-related activities, including

- AVM-related sessions at the IAAO Annual Conference in Boston
- A half-day workshop at the Education Conference of the National Association of Independent Fee Appraisers in Chicago
- The fall meeting of the Collateral Assessment & Technologies Committee of the Real Estate Information Professionals Association in San Francisco.

The next major IAAO effort was planned for July 2005; it was to have been a day-long seminar dedicated to AVM standards and reliability. A broad array of speakers was enlisted, and topics considered to be of interest to the private sector were planned. The seminar was to be, “held in conjunction with and immediately prior to the ESRI International User Conference to allow participants to take advantage of both events” (IAAO 2005). Unfortunately, the number of registrations was insufficient to justify conducting the seminar and it was cancelled.

Continuing the Discussion

Despite continuing and ongoing discussions of AVMs and demonstrations of various AVM systems and uses, the *Standard on Automated Valuation Models* did not return to the forefront for several years. Plans to provide additional IAAO-directed seminars and events related to AVMs and the new standard were not realized. The standard came to be used by some assessment jurisdictions and, in a much more limited way, by the private sector.

In ongoing discussions between the IAAO Technical Standards Committee and the Research Committee, it has been agreed that the standard needs to be updated to reflect cur-

rent AVM thinking and practices as well as amendments to the *Standard on Ratio Studies* (IAAO 2013) (and possibly other standards). As one of the original authors, I’m excited at the prospect of reinvigorating this standard, which addresses a topic still important to the appraisal industry. I hope that the update will be accompanied by a revival of interest by the broader appraisal community.

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Alan Dornfest, AAS, is an internationally recognized expert in property tax policy. He has been supervisor of property tax policy for the Idaho State Tax Commission since 1993 and worked there since 1977. His responsibilities involve extensive research into the effects of property tax policy decisions, as well as practical experience in implementing policy and assisting assessing officers through development of administrative rules and training materials. He is the author and coauthor of numerous journal articles and coauthor of the IAAO textbook *Fundamentals of Tax Policy*. He is a frequent presenter at the IAAO Annual Conference and elsewhere.



In a recent Facebook post, I quoted Socrates, who said, “The secret of success is to focus all of your energy, not on fighting the old, but on building the new.” With that in mind, the following are accomplishments from the past year that I am proud to share with you.

- IAAO announced its new and completely redesigned website. This multiyear project finally went live in the fall of 2013. It was designed to provide more intuitive access to content and to allow more timely updates by staff. As with any website, it continues to evolve and be updated frequently.
- About the same time the website was launched, IAAO began to publish *Assessing Info* eNews. This new format opened the door to broader reporting of industry events and news.
- The highly anticipated results of the 2013 survey of staffing in assessment offices in the United States and Canada have been published in the second quarter issue of the *Journal of Property Tax Assessment & Administration*. The report is a free download for members. The report and raw data are both available in the Marketplace for nonmembers. The study was developed through the IAAO Partnership Program by the IAAO Research Committee and the Romney Institute of Public Management at Brigham Young University.
- The paper “Guidance on International Mass Appraisal and Related Tax Policy” is publicly available on the website. It provides broad guidance on mass appraisal of real property at market value. The paper was developed by the Technical Standards Committee with the involvement of the International Committee and many contributing stakeholders.
- Full-time staff positions for a Curriculum Development Manager and a Research Director have been filled. The new Curriculum Development Manager will begin in late September, the new Research Director October 1. Look for more announcements on staffing in future issues of *Fair & Equitable*.
- A new process for the development of educational course materials was created and includes professional editing and a newly designed template.
- IAAO scholarship amounts were increased by \$250.
- A non-North American scholarship category for \$2,500 was created.
- The Texas Association of Appraisal Districts became the newest and most recent chapter of IAAO.
- IAAO produced two new viral videos, “Next Step” and “Name that Value.” Both videos can be viewed on YouTube

at <https://www.youtube.com/watch?v=kFgWcdTQ67c> and <https://www.youtube.com/watch?v=-ahrOlamnoA>, respectively.

- A new *Member Resource Guide* was published in January 2014. The guide describes the products, services, and benefits available to members and can be downloaded from the website.
- IAAO appointed Dorothy Jacks, AAS, as liaison to the International Property Measurement Standards Coalition. Jacks is also chair of the International Committee.
- Statistics showing how members use IAAO resources are available in dashboard format on the library website. Last year, members saved \$64,785 by using library resources instead of purchasing materials from alternate providers.
- A new database, the County & Municipal Directory, is available to members. It contains a nationwide contact listing of county and city officials. It too is available on the library website.
- The Institute of Municipal Assessors (IMA) in Ontario donated an extensive collection of Canadian assessment resources to the library this year. Library staff have processed the materials, which are now available to members through the LibraryLink catalog. We are grateful for the generosity of IMA and for its trust in IAAO to preserve these valuable resources. Thank you to IMA and its Executive Director, Mario Vittiglio.
- The Preparation & Trial Seminar was revived with added content on the mechanics of a successful trial and a shorter mock trial. This event was successfully held in Kansas City at the University of Missouri School of Law.
- The IAAO *Glossary for Property Appraisal and Assessment* is now publicly available in eBook format on the IAAO website.

Planning for the Future

In addition to these recent accomplishments, other changes are anticipated in the near future.

- eBooks at IAAO will soon become a reality. The books *Fundamentals of Mass Appraisal* and *Property Assessment Valuation* have been converted to eBook format and will be available for purchase soon. They are compatible for use on laptops, tablets, and other mobile devices. The eBooks will be made available as soon as a Marketplace link is established.
- The second Communication Practices Survey is now available for member input. The results of this survey will provide guidance to IAAO leadership in evaluating

how the organization communicates with its members. The previous survey prompted significant changes in communication practices, including the creation of digital editions of *Fair & Equitable* and the *Journal of Property Tax Assessment & Administration*. I ask all IAAO members to participate in this important survey. Links to the survey have been sent to members through *Assessing Info*. Availability of the survey will also be announced through several other channels.

This completes my annual report and sets the stage for another year of accomplishments at IAAO.

In closing, I would like to share with you a photo (below) from my August 11–13 visit with the Tennessee Chapter of IAAO (TIAAO). Chapter members are celebrating the 30th anniversary as a chapter. Congratulations to TIAAO on this significant milestone. Look for a spotlight article on TIAAO in an upcoming *F&E*.

I would also like to thank the Maine Chapter of Assessing Officers for the wonderful hospitality at the annual meeting held September 3–5 at the beautiful Sebasco Harbor Resort. On the right is a photo of my host Bill Healey, who is also Chair of the IAAO Membership Services Committee. We enjoyed a fun round of golf as part of the postconference activities.

Thank you!

Kim Lauffer



William Healey, Jr. and Kim Lauffer enjoy the 2014 Fall Classic Best Ball Golf Tournament at the Sebasco Harbor Resort Golf Club immediately following the conference.



Pictured (l to r) are outgoing TIAAO Executive Board members Paula Garrett, RES; David Diaz-Barriga, Secretary/Treasurer; Ryan Cavanah, CAE, RES, Vice President; IAAO President Kim Lauffer, RES; Gary Paschall, President; Bryan Kinsey, AAS, Immediate Past President; Derrick Hammond; and Barbara Kizer, CMS.

New Journal Articles—Members may request these articles through LibraryLink.

Article Title	Journal Title/Date	Author	Description
Accuracy of Zillow's home value estimates	<i>Real Estate Issues/</i> 2014, 39(1)	Charles Corcoran and Fei Liu	This article compares Zillow.com's home estimate values (Zestimates) with actual sale prices of 2,005 single-family residential properties in two markets in November 2013. A Zillow "four-star" market in suburban St. Paul, Minnesota, and a Zillow "one-star" market in suburban St. Louis, Missouri, are analyzed in terms of Zestimate accuracy between these two markets, as well as within specific price ranges.
Brand names	<i>Valuation Insights & Perspectives/</i> 2nd Quarter 2014, 19(2)	Deborah R. Huso	When appraising homes designed by famous architects, value is less in the name than in the home's quality and marketability.
Convective storm vulnerability: quantifying the role of effective and well-enforced building codes in minimizing Missouri hail property damage	<i>Land Economics/</i> August 2014, 90 (3)	Jeffrey Czajkowski and Kevin M. Simmons	Implementing strong building codes is touted as a way to reduce natural disaster property damages. However, at the local level not all jurisdictions adopt equally stringent codes nor properly enforce their codes once they have been adopted. The authors empirically test whether zip code jurisdictions with effective and well-enforced building codes demonstrate better loss experience from the occurrence of a hail storm than those without.
The Dodd-Frank Act and appraisal reform: a solution or adding to the problem?	<i>Real Estate Review/</i> Summer 2014, 43(2)	Bradley O. Brunicardi and Alexandra Dedes	Discusses real property appraisal practice and its current regulation as a result of the Dodd-Frank Financial Reform Bill. Also outlines the various new boards and institutions that have been created to oversee real estate appraisal practice in the past several decades, and discusses how they interact with the states.
The dynamics of appraisal smoothing	<i>Real Estate Economics/</i> Summer 2014, 42(2)	Youngha Cho, Soosung Hwang, and Yong-ki Lee.	We investigate the dynamics of appraisal smoothing in the NCREIF index return using time-varying asset pricing models.
Ground lease provisions- a case study for leasehold valuation	<i>The Appraisal Journal/</i> Spring 2014, 82(2)	Don Guarino, Cameron Chehrizi, and Brad A. Bohl	This case study examines an office building subject to a ground lease to show the difficulties that arise in the valuation of a negative leasehold interest and suggests a course of action that can be followed to reach a credible estimate of value.
Housing regulation, externalities and residential property prices	<i>Real Estate Economics/</i> Summer 2014, 42(2)	Henry J. Munneke, C.F. Sirmans, Barrett A. Slade, and Geoffrey K. Turnbull	Examines the effects of quantity restrictions on residential property prices in the presence of neighborhood externalities. A Brigham Young University policy limiting students' location choices provides a natural experiment for studying the externality and quantity restriction effects on property values.
A long-term study of the effect of a natural gas pipeline on residential property values	<i>Journal of Real Estate Literature/</i> 2014, 22 (1)	Louis Wilde, Jack Williamson, and Christopher Loos	The authors use hedonic regression models to study the effects of proximity to a natural gas pipeline on residential property values in a master-planned community in Clark County, Nevada. The study covers over two decades, from the initial build-out of the area through the real estate boom and bust of the 2000s.
Lost at sea	<i>Valuation Insights & Perspectives/</i> 2nd Quarter 2014, 19(2)	Mark R. Linne	Appraisers have to navigate a flood of data as never before. Here are five ways advanced analytics is influencing technology.
Mass appraisal of Indian lands for federal buy-back program	<i>Valuation Strategies/</i> July/August 2014, 17(6)	Robert Gloudemans	It is necessary to be familiar with the mass appraisal techniques that are accepted and widely used in appraisals made for property tax purposes, in order to understand and analyze the application of those methods to the Pine Ridge and Rosebud reservations in South Dakota, the first of two reservations appraised under the Buy-Back program.
Process of elimination	<i>Valuation Insights & Perspectives/</i> 2nd Quarter 2014, 19(2)	David Tobenkin	Fannie Mae has a plan to identify appraisers who produce inconsistent or problematic appraisals by implementing the new Appraiser Quality Monitoring program.

Members who would like assistance with accessing these materials can contact Director of Library Services Mary Odom at 816/701-8117 or library@iaao.org.

New Journal Articles—Members may request these articles through LibraryLink. (continued)			
Article Title	Journal Title/Date	Author	Description
Renewables, tax credits and ad valorem taxes: are policies aligned?	<i>Real Estate Issues/</i> 2014, 39(1)	P. Barton DeLacy	As the renewable energy industry matures, growing controversy swirls around its funding and, ironically, its sustainability. Left unchecked, local assessors can undermine the operating efficiencies of wind and solar farms with assessments based on replacement cost rather than market value. These issues now are being raised in <i>Lost Creek Wind LLC v. DeKalb County Assessor</i> before the State Tax Commission and Circuit Court of Missouri.
Restaurant valuation	<i>The Appraisal Journal/</i> Spring 2014, 82(2)	Brock J. Rule	This article looks at the valuation parameters in the restaurant market. The restaurant market employs an excess earnings method with three variables: market rent, a real estate capitalization rate, and a business multiple.
The role of alternative credentials	<i>Right of Way/</i> July-August 2014, 61(4)	Tom Darling	When faced with a tough job market, those individuals who can demonstrate a unique and specialized skillset will clearly be at a competitive advantage. Research has proven that alternative credentials are not just valuable in landing a job, but help to boost salary potential and improve job security over the long run.
The speculative value of farm real estate	<i>Journal of Real Estate Research/</i> April-June 2014, 36(2)	Jeffrey R. Stokes and Arthur T. Cox	Farm real estate in the Midwest has increased in value at rates not seen since the 1970s. The combination of low interest rates, an increase in the demand for grains, and lower stocks has all pushed prices higher for commodities grown on farmland. The question is whether or not there is speculation in farm real estate and if so, to what extent speculation has contributed to the increase in farmland values?
Variety and state-of-the-art information technology make the assessment field an attractive career option	<i>Canadian Property Valuation/</i> 2014, 58(1)	Craig Barnsley	From processing land subdivisions, to capturing new construction, to the analysis of market studies in support of value-influencing characteristics, our appraisers must understand and apply a broad range of valuation expertise.
Wind farm valuation issues for ad valorem taxation purposes	<i>Insights: Business Valuation, Forensic Analysis, and Financial Opinion Insights/</i> Summer 2014	P. Barton DeLacy	As the wind energy industry matures and the incentives relied on to develop wind farms evaporate, this discussion considers the market value of such commercial wind farms. In particular, this discussion considers whether commercial wind farms are fairly assessed by state and local property authorities.

New Books—Request through LibraryLink. Members may borrow books for three weeks.			
Title	Author(s)	Publisher/Date	Description
<i>The Appraisal of real estate (14th edition)</i>	Appraisal Institute	Appraisal Institute/2013	The 14th edition builds on past editions and examines the changing role of real estate appraisers in the larger business community.
<i>The escalation handbook for office buildings: a guide to understanding, preparing and grossing up expense escalations</i>	William H. Brownfield & Lawrence Mayerhofer	BOMA/2014	BOMA's Escalation Handbook is the industry standard for understanding the complex concepts and methodology for preparing escalation billings. Replaces the older version "How to Adjust Operating Expenses for Occupancy Changes in Office Buildings."
<i>Improving mass appraisal valuation models using spatio-temporal methods</i>	Richard Borst	International Property Tax Institute/2014	An essential text for those working in the field of computer-assisted mass appraisal. This book is the only one which deals specifically with the use of geostatistical methods in connection with other modern technologies and is directed at practitioners of the art and science of developing valuation models.

World Resources—Members may request these articles through LibraryLink.

Title	Publisher/Date	Author(s)	Description
Efficacy in modelling location within the mass appraisal process	<i>Pacific Rim Property Research Journal</i> / 2011, 17(3)	Tony Lockwood and Peter Rossini	This study demonstrates how by examining the accuracy generated by various approaches traditionally used to model location for the CAMA process and compare the accuracy of the predicted result to that generated by using an integrated GIS environment to model location.
Efficacy of the geographically weighted model on the mass appraisal process	Pacific Rim Real Estate Society Conference/ January 2012	Tony Lockwood and Peter Rossini	This paper compares the use of a Geographically Weighted Regression (GWR) hedonic model with the more traditional hedonic models where there is market evidence of both vacant land and improved residential values.
Fair value of investment property and independent appraisers: the experience in the UK and Japan	<i>The Appraisal Journal</i> / Spring 2014, 82(2)	Takashi Yamamoto	This article looks at the role of appraisers in fair market accounting. It discusses the status of the fair value of investment property of companies in the United Kingdom, which pioneered it. The article also provides an analysis of the fair value of investment property of companies in Japan following the recent adoption of accounting standards for disclosure of the fair value.
Forced sales and farmland prices	<i>Land Economics</i> / August 2014, 90 (3)	Silke Huttel, Simon Jetzinger, and Martin Odening	The authors analyze farmland prices in the German federal state of Brandenburg from 2000 to 2011 with the aim to understand the price formation process in farmland foreclosures. Pressured sales usually result in a price discount due to time constraints; however, the land is sold using public auctions. This may lead to a price premium. Since the effect of a foreclosure on farmland prices is ambiguous, the authors empirically quantify the overall effect.
Property tax policy in international perspective part II	<i>Insti-News</i> / Spring 2014	W. Jan Brzeski	Guidelines for property tax policies, including tax administration and political economy, as derived from rich international experience is compiled into a set of guidelines in the form of DO's and DON'Ts for property tax designers and policy makers.
Real estate mass appraisal in selected countries: functioning systems and proposed solutions	<i>Real Estate Management and Valuation</i> / 2013, 21(3)	Anna Baranska	The systems of real estate mass appraisal in some selected European countries is discussed, in comparison with those of individual countries on other continents, in terms of similarities and differences in law, institutional scope and subjects responsible for its execution.
The Urban Property Tax (IPTU) in Brazil: An analysis of the use of the property tax as a revenue source by Brazilian municipalities	Lincoln Institute of Land Policy Working Paper/ 2012	José Roberto Rodrigues Afonso, Erika Amorim Araujo, and Marcos Antonio Rios da Nóbrega	Analyzes the relative importance of the property tax as a revenue source for Brazilian municipalities. The paper describes the legal and administrative factors that affect property tax collections and concludes with an assessment of the potential to improve the performance of the tax.

New Electronic Resources—Access the full text in LibraryLink.

Title	Publisher or Journal Title, Date	Author(s)	Description
The appraiser as testifying or consulting expert: part one- the importance and selection of experts	<i>Real Property E-Journal</i> /2013, Issue 6	Tom Countryman	A credible and convincing determination of value is essential in all appraisal controversies, whether in court, before Appraisal Review Boards ("ARBs"), in informal negotiations and even during behind the scenes strategy and analysis discussions. This series of articles will focus on the effective selection, training and use of appraisal experts, primarily in a judicial context.
Assessment limits	Lincoln Institute of Land Policy Working Paper/ 2012	Katrina D. Connolly and Michael E. Bell	This paper describes assessment limits and some of the policy issues associated with this approach to providing property tax relief.
Compensating changes to the property tax levy? An empirical test of the residual rule	ASU College of Public Programs, School of Public Affairs/2014	Spencer T. Brien	The residual view of the property tax assumes that localities set their levies equal to the difference between budgeted expenditures and expected receipts from other revenues. Using data from counties and school districts in Georgia, this paper tests whether actual fiscal behavior is consistent with the compensating changes required by the residual rule.

New Electronic Resources—Access the full text in LibraryLink.

Title	Publisher or Journal Title, Date	Author(s)	Description
Developing effective age estimates	<i>Real Property E-Journal/</i> 2013, Issue 6	Daniel J. Dzierbicki	Effective age estimates can be developed from information obtained from the market and applied with a technique that will substantiate the appraiser's opinion and be more reliable than just guessing.
Effects of wind energy facilities on surrounding property values in the United States	Ernest Orlando Lawrence Berkeley National Laboratory/ August 2013	Ben Hoen et al.	Previous research on the effects of wind energy facilities on surrounding home values has been limited by small samples of relevant home-sale data and the inability to account adequately for confounding home-value factors and spatial dependence in the data. This study helps fill those gaps. The author collected data from more than 50,000 home sales among 27 counties in nine states.
Hotels and motels: a short excursion into the gnarly questions of how to value	<i>Real Property E-Journal/</i> 2013, Issue 6	Lawrence J. Golicz	The old days of appraising with sale price per room just will not work. The complexity of the lodging industry offers ever different challenges from year to year. With cyclical trends nationally and regionally, combined with a local market, competition, efficient or inefficient management, along with various special features, and then absorbing everything to form a judgment of value for a motel or hotel remains difficult, but rewarding.
Income-based property tax relief: circuit breaker tax expenditures	Lincoln Institute of Land Policy Working Paper/ 2012	John E. Anderson	Provides a guide to the policy analysis of income-based property tax relief programs. Examines various circuit breaker mechanisms that provide property tax relief directly tied to the homeowner or renter property tax bill as a share of household income. The paper then illustrates policy analysis of the circuit breaker mechanism, including measurement and analysis of the foregone revenue involved.
Green building geography across the United States: does governmental incentives or economic growth stimulate construction?	<i>Real Estate Law Journal/</i> 2014	Darren A. Prum and Tetsuo Kobayashi	This study analyses spatial distributions of certified green buildings in relation to governmental incentives deemed necessary to further environmentally friendly public policies that embrace sustainable construction practices while applying a regression analysis over time to determine the impact of such a course of action in relation to economic growth.
Municipal property taxation in Nova Scotia	Property Valuation Services Corp./April 2014	Harry Kitchen and Enid Slack	The purpose of this study is to evaluate the effectiveness of the current property tax system in Nova Scotia and suggest improvements.
Property taxation of medical marihuana production facilities	Metro Vancouver/ May 1, 2014	Tom Pearce	The purpose of this report is to respond to a Regional Planning and Agriculture Committee request to provide information on the property tax implications of commercial medical marihuana production facilities. Specifically, the assessment property class implications of growing and processing facilities located in industrial, commercial or agricultural designated areas are provided.
Use value assessments and the costs to local governments	Lincoln Institute of Land Policy Working Paper/ 2012	Daniel Coogan, Michael E. Bell, and David Brunori	This paper addresses several issues related to states' programs for use-value assessments on agricultural and forest land. Identifies and describes each state's preferential use-value assessment program and focuses on specific program characteristics, like eligibility requirements, standards for implementation, benefits, costs, and distributional consequences.
Valuation issues in fractional real estate interests and partition cost analysis	<i>Real Property E-Journal/</i> 2013, Issue 6	Steven J. Decker	Develops a probability weighting methodology for evaluating an appropriate valuation discount for undivided tenancy in common real estate interests. The author also develops a supportive methodology for estimates of partition likelihood and discount rates, both of which are also consistent with the issues raised in the Ludwick tax court case.
Valuing real property going concerns	<i>Real Property E-Journal/</i> 2013, Issue 6	Paul R. Hyde	A problem occurs when the need arises to value a business enterprise that is difficult to distinguish from real property. The purpose of this article is to outline and clarify the problem, and to propose solutions as to how various real property going concerns should be valued . . . and by whom.

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Association of Appraisal Regulatory Officials

Fall Conference

October 17–20, 2014

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<http://www.aaro.net/meetings.html>

RICS/IPTI

3rd Annual Caribbean Valuation and Construction Conference

October 21–22, 2014

Bridgetown, Barbados

<http://www.ipti.org/main-registration-page/?ee=77>

Society of Professional Assessors and International Property Tax Institute

SPA 50th Anniversary Celebration

October 24–25, 2014

Omni Providence, Providence, RI

www.societyofassessors.org

Assessors' Association of Pennsylvania

Fall Conference

November 6–7, 2014

Lancaster, PA

<http://www.paassessors.org>

New Hampshire Association of Assessing Officials

Annual Meeting

November 12–13, 2014

Manchester, NH

www.nhaao.org

North Carolina Association of Assessing Officers

Fall Conference

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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 Heflin 334/844-4782 or register at www.auburn.edu/propertytax

ARIZONA

300—Fundamentals of Mass Appraisal

Phoenix, November 3–7, 2014

The AZ Chapter of IAAO sponsors the offerings listed above. For more details, contact Tim Grogan 602/372-9218.

ARKANSAS

300—Fundamentals of Mass Appraisal

Little Rock, November 17–21, 2014

The Assessment Coordinator Department sponsors the offerings listed above. For more details, contact Clea Hardy 501/324-9104.

FLORIDA

101—Fundamentals of Real Property Appraisal

Lake Mary, December 8–12, 2014

300—Fundamentals of Mass Appraisal

Lake Mary, December 8–12, 2014

600—Principles & Techniques of Cadastral Mapping

Lake Mary, December 8–12, 2014

102—Income Approach to Valuation

Tallahassee, March 9–13, 2015

201—Appraisal of Land

Tallahassee, March 9–13, 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>.

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.

INDIANA

300—Fundamentals of Mass Appraisal

Sellersburg, October 20–24, 2014

400—Assessment Administration

Indianapolis, December 1–5, 2014

The Indiana Chapter of IAAO sponsors the offerings listed above. For more details, contact Ginny Whipple 812/593-5308.

MASSACHUSETTS

312—Commercial/Industrial Modeling Concepts

Needham, November 3–7, 2014

The Massachusetts Chapter of IAAO sponsors the offering listed above. For more details, contact Gary McCabe 617/733-4165.

MINNESOTA

311—Residential Modeling Concepts

Plymouth, October 20–24, 2014

102—Income Approach to Valuation

Plymouth, November 17–21, 2014

The MN Association of Assessing Officers sponsor the offerings listed above. For more details, contact Bob Wilson 952/826-0426.

MISSISSIPPI

452—Fundamentals of Assessment Ratio Studies

Oxford, October 22–24, 2014

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

NEBRASKA

452—Fundamentals of Assessment Ratio Studies

North Platte, October 15–17, 2014

976—Public Relations & Customer Service

Lincoln, October 22, 2014

150—Mathematics for Assessors

Lincoln, October 23–24, 2014

354—Multiple Regression Analysis for Real Property Valuation

Lincoln, November 6–7, 2014

The Department of Revenue, Property Assessment Division sponsor the offerings listed above. For more details, contact Grace Willnerd 402/471-5982.

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

201—Appraisal of Land

Moraine, October 27–31, 2014

191—USPAP 7-Hour Update

North Canton, November 3, 2014

The Ohio Ad Valorem School sponsor the offering listed above. For more details, contact Robert Graham 330/935-2997 or OhioAdValorem@neo.rr.com.

TENNESSEE

311—Residential Modeling Concepts

Knoxville, October 20–24, 2014

600—Principles & Techniques of Cadastral Mapping

Brentwood, November 3–7, 2014

201—Appraisal of Land

Brentwood, November 17–21, 2014

The Comptroller of the Treasury, Division of Property Assessments sponsor the offering listed above. For more details, contact James Woodyard 615/401-7789 or Cristi Moore 615/401-7774.

TEXAS

191—National USPAP 7-Hour Update

Houston, October 15, 2014

300—Fundamentals of Mass Appraisal

Austin, November 17–21, 2014

331—Mass Appraisal Practices and Procedures

Houston, November 3–7, 2014

452—Fundamentals of Assessment Ratio Studies

Houston, November 10–12, 2014

102—Income Approach to Valuation

Austin, December 8–12, 2014

112—Income Approach to Valuation II

Houston, December 8–12, 2014

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

101—Fundamentals of Real Property Appraisal
El Paso, December 1–5, 2014

The El Paso Central Appraisal District sponsors the offering listed above. For more details, contact Jewel Reinhardt 915/780-2015.

WISCONSIN

311—Residential Modeling Concepts

Wauwatosa, October 27–31, 2014

WAAO sponsors the offering listed above. For more details, contact Paul Koller 262/797-2461.

WYOMING

201—Appraisal of Land

Cheyenne, October 20–24, 2014

The Wyoming Department of Revenue sponsors the offerings listed above. For more details, contact Alan Lemaster 307/777-3450.

BY COURSE

Course 101—Fundamentals of Real Property Appraisal

December 1–5, 2014, Texas (El Paso)

December 8–12, 2014, Florida (Lake Mary)

September 21–25, 2015, Alabama (Montgomery)

Course 102—Income Approach to Valuation

November 17–21, 2014, Minnesota (Plymouth)

December 8–12, 2014, Texas (Austin)

March 9–13, 2015, Florida (Tallahassee)

February 23–27, 2015, Alabama (Montgomery)

Course 112—Income Approach to Valuation II
December 8–12, 2014, Texas (Houston)

May 11–15, 2015, Alabama (Hoover)

Workshop 150—Mathematics for Assessors

October 23–24, 2014, Nebraska (Lincoln)

Workshop 191—National USPAP 7-Hour Update

October 15, 2014, Texas (Houston)

November 3, 2014, Ohio (Canton)

Course 201—Appraisal of Land

October 20–24, 2014, Wyoming (Cheyenne)

October 27–31, 2014, Ohio (Moraine)

November 17–21, 2014, Tennessee (Brentwood)

March 9–13, 2015, Florida (Tallahassee)

Course 300—Fundamentals of Mass Appraisal

October 20–24, 2014, Indiana (Sellersburg)

November 3–7, 2014, Arizona (Phoenix)

November 17–21, 2014, Texas (Austin)

November 17–21, 2014, Arkansas (Little Rock)

December 8–12, 2014, Florida (Lake Mary)

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

Course 311—Residential Modeling Concepts

October 20–24, 2014, Tennessee (Knoxville)

October 20–24, 2014, Minnesota (Plymouth)

October 27–31, 2014, Wisconsin (Wauwatosa)

Course 312—Commercial/Industrial Modeling Concepts

November 3–7, 2014, Massachusetts (Needham)

Course 331—Mass Appraisal Practices and Procedures

November 3–7, 2014, Texas (Houston)

June 15–19, 2015, Alabama (Montgomery)

Workshop 354—Multiple Regression Analysis for Real Property Valuation

November 6–7, 2014, Nebraska (Lincoln)

Course 400—Assessment Administration
December 1–5, 2014, Indiana (Indianapolis)

Workshop 452—Fundamentals of Assessment Ratio Studies

October 15–17, 2014, Nebraska (North Platte)

October 22–24, 2014, Mississippi (Oxford)

November 10–12, 2014, Texas (Houston)

500—Assessment of Personal Property
November 3–7, 2014, Alabama (Auburn)

Course 600—Principles & Techniques of Cadastral Mapping

November 3–7, 2014, Tennessee (Brentwood)

December 1–5, 2014, Alabama (Montgomery)

December 8–12, 2014, Florida (Lake Mary)

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

One-Day Forum 976—Public Relations & Customer Service

October 22, 2014, Nebraska (Lincoln)

 **NEW MEMBERS** For a membership application, visit IAAO.org and click on Membership

Australia

Simon Gilkes

Alabama

Chris Crutchfield

Arizona

Sally Ann Cook

Lisa Hertzog

Hawaii

Dennis H. Foree

Joshua R. Poouahi

Kyle S. Shimizu

Indiana

Kim Lillard

Lindsay Fisher

Louisiana

Aisha J. Malvoisin

Mississippi

Sarah L. Garcia

Nevada

Amy Mills

New Hampshire

Kathryn Lynch

North Carolina

Carmella E. Wallace

Andrew Bartley

Donald Lee Cook

Ed Parker

Eric J. Warren

Jacob Hansen

Pamela H. Carver

Robert T. Flowe

David A. Strafel

Shane E. Somers

Pennsylvania

Anthony Liberato

Texas

Daniel H. Garcia

Lisa M. Nieman

Virginia

Nelson W. Pollard

Washington

John Lifflander

Mississippi

Sarah L. Garcia

West Virginia

Sean M. Hammond

Visit IAAO.org to see the most recent membership opportunities.

MEMBER ANNIVERSARIES

5 Years

Brian Beebe, Hood River County, Hood River, OR
Michelle L. Cardenas, Atascosa County Appraisal District, Poteet, TX
Barbara D. Esters, Chicot County, Dermott, AR
Jonathan D. Garner, City of Hampton Assessor's Office, Hampton, VA
Christine Hackley, Culpeper County, Culpeper, VA
Mindy F. Harting, Norton County, Norton, KS
Thomas J. Healy, West Deerfield Township, Deerfield, IL
Francis Robert Janowski, Sarasota County Property Appraiser, Sarasota, FL
Jennifer Jones, Whitfield County, Dalton, GA
Robert A. Keeler, Knox County, Knoxville, TN
Corinne Krikstan, SC&H Group, LLC, Sparks, MD
Lisa V. Kurzy, Montgomery Central Appraisal District, Conroe, TX
Sally M. Lackey, Catawba County, Newton, NC
Curt E. Lebel, City of Gardiner, Gardiner, ME
Sandy Martin, Mecklenburg County, Charlotte, NC
Sita Nanthavong, CMS, Washington County Assessor's Office, Fayetteville, AR
Rena T. Neilson, Rio Blanco County, Meeker, CO
Oliver Prusina, Manitoba Municipal Government, Morden, MB, Canada
Kristi Queen, Whitfield County, Dalton, GA
Wade Rainey, TA Associates, West Paris, ME
Ravinder Singh Rawat, Webb County Appraisal District, Laredo, TX
Emily C. Rose-Powell, Harris County Appraisal District, Houston, TX
Brian Scully, Silver Oak Advisors LLC, Atlanta, GA
Alex Stephens, Hardin County Appraisal District, Kountze, TX
Monty A. Toliver, Wichita Appraisal District, Wichita Falls, TX
Darlene J. Vigil, Taos County, Taos, NM
Lindsay P. West, Washington County Assessor's Office, Fayetteville, AR
Susan E. Westervelt, Cowlitz County, Longview, WA

10 Years

Celeste Florek, Middlesex County Board Taxation, New Brunswick, NJ
Steve C. Jones, Santa Rosa County, Milton, FL
Leo M. Marsh, PPS, Henrico County Revenue Division, Richmond, VA

Neil F. Nikkinen, AAS, Orange County Property Appraiser's Office, Ocala, FL
Lois E. Schlegel, Pottawatomie County Appraiser's Office, Westmoreland, KS
Barry J. Southers, Jr, Santa Rosa County Property Appraiser's Office, Milton, FL
Robert L. Wagner, Polk County, Crookston, MN

15 Years

Bridget A. Affeldt, Prince William County, Real Estate Assessments, Woodbridge, VA
Reid Duford, City of Midland, Midland, MI
Jay Franklin, Tompkins County, Ithaca, NY
Webster J. Guillory, Orange County Assessor's Office, Santa Ana, CA
Edward L. Hughes, Beaufort County Assessor's Office, Beaufort, SC
Mick Majdi, Prince William County, Real Estate Assessments, Woodbridge, VA
Jonathan Ponader, General Electric Company, Fort Myers, FL
David A Ryals, Boundary County, Bonners Ferry, ID
Jerry Wayne Vest, RES, Moore County Tax Department, Carthage, NC

20 Years

Stephen T. Bonner, Arapahoe County, Littleton, CO
Paul M. Cussen, National Bureau of Property Administration, Chicago, IL
Annie W. Grant, Monmouth County Board of Taxation, Long Branch, NJ
Peggy L. Nolde, CAE, Genesee County Equalization Department, Grand Blanc, MI
Lawrence G Quinn, Town of Arcadia, Newark, NY

25 Years

RoseMary Baumann, Citrus County Property Appraiser's Office, Inverness, FL

Eric W. Coakley, Lancaster, OH
Robert J DeWitte, Masco Corporation, Troy, MI
P. Timothy Eichenberg, New Mexico Property Tax, Albuquerque, NM
Mark M. McKee, Municipality of Anchorage, Anchorage, AK
Joan M Oros, Town of New Fairfield, Coventry, CT
Marri K. Renne, CAE, Ramsey County, Nisswa, MN

30 Years

Christine A. Barta, Town of North Branford, North Branford, CT
Francis M. Conti, Town of South Hadley, South Hadley, MA
Linda P. Fallesen, Humboldt County Assessor's Office, Dakota City, IA
Paul M. Flynn, Tyler Technologies, Inc., New Smyrna Beach, FL
Mr. Francis Klein, Cass County Government, Fargo, ND
James E Mallory, Oklahoma County Assessor's Office, Oklahoma City, OK
Ronald D. McKissick, Virginia State Corp Public Service Taxation, Richmond, VA
Randy C. Passaniti, Caddo Parish Assessor's Office, Shreveport, LA
Timothy D Smith, Oklahoma County Assessor's Office, Oklahoma City, OK
Jerry B. Ward, Property Tax Associates, Inc, Ridgeland, MS
David L. Wills, Tennessee Division of Property Assessments, Knoxville, TN

35 Years

Arnie Andreesen, Jones County, Anamosa, IA
John K Boyer, Fraser Stryker PC LLO, Omaha, NE

45 Years

William S. Carman, CAE, Franklin, TN

50 Years

Thomas D. Dittmer, CAE, Alexandria, VA



Visit the online Marketplace at IAAO.org to purchase and download webinars.

Michael Flynn Elected MAAO President

Newton Commercial Assessor Michael Flynn, MAA, was recently elected by the Massachusetts Association of Assessing Officers as President for the 2014/2015 term. He assumed the position on July 1.



Mr. Flynn has been the Commercial Assessor in Newton for the past 6 years and previously was the Chief Assessor for the Town of Framingham for almost 14 years.

Prior to that, Flynn was Director of Assessing with the Town of Plymouth for 3 years and started his career with the City of Boston Assessing Department for 7 years.

He has been very active in his profession and served as President of MAAO during its reorganization in 2008. In addition, he was a member of the Executive Board for many years.

Flynn has served as Chairman of the MAAO By-Law Committee, Chair of the MAAO Appellate Tax Board Committee, and member of the MAAO Ethics Committee, and lists among his accomplishments overseeing a major reorganization of MAAO during his first term as President.

Among his awards are the Past President's award from the MAAO and the Sherry Vermilya award from the Northeast Regional Association of Assessing Officers.

**Congratulating the IAAO on providing
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IAAO Conferences, Seminars, and Meetings

Event	Location	Dates
Executive Board Meeting	White Plains, New York	October 17–18, 2014
Leadership Days	Kansas City, Missouri	November 14–15, 2014
35th Annual IAAO Legal Seminar	Chicago, Illinois	December 11–12, 2014
IAAO 81st Annual International Conference on Assessment Administration	Indianapolis, Indiana	September 13–16, 2015
IAAO 82nd Annual International Conference on Assessment Administration	Tampa, Florida	August 28–31, 2016
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	Niagra Falls, Ontario, Canada	TBD

CONGRATULATIONS NEW DESIGNEES

Keith E. Nielsen, RES, received the Residential Evaluation Specialist designation in August 2014. Nielsen serves as a Real Estate Appraiser Tech I for the Douglas County Assessor's Office in Omaha, Nebraska. He has held that position for over 15 years and previously worked as a registered appraiser and data collector. Nielsen attended Syracuse University and received a master's degree in finance and attended the University of Nebraska at Omaha and received a bachelor's degree in finance and real estate. He is a member of Rho Epsilon Real Estate Fraternity and was president for two years. Nielsen received the Bruce Howard national memorial scholarship and the National American Institute of Real Estate Appraiser's scholarship. He joined IAAO in 2012.



Mark Gwinn, AAS, received the Assessment Administration Specialist designation in July 2014. Gwinn serves as Zone Manager for the Davidson County Assessor's Office in Nashville, Tennessee. He has held that position for seven years and previously served as a Field Appraiser for seven years. Gwinn attended Middle Tennessee State University and received a degree in marketing. He has been a member of the Tennessee Chapter of IAAO for 14 years. Gwinn joined IAAO in 2000.



Van McWhirter, CMS, received the Cadastral Mapping Specialist designation in July 2014. McWhirter serves as Pontotoc County Tax Assessor/Collector in Pontotoc, Mississippi. He has held that position for seven years. McWhirter is a member of the Mississippi Chapter of IAAO. He joined IAAO in 2013.



Derrick Hammond, AAS, received the Assessment Administration Specialist designation in August 2014. Hammond serves as Administrative Services Manager for the Davidson County Assessor's Office in Nashville, Tennessee. He has held that position for six years and previously served as an Appraisal Specialist and as an Appraiser. Hammond attended Mississippi State University and majored in mathematics. He is a member of the Tennessee Chapter of IAAO and a past member of the Executive Board. Hammond is also a member of Phi Beta Sigma fraternity. He is a Tennessee Master Assessor and a Tennessee Certified Assessor. He joined IAAO in 2008.



Noel Wade Taylor, CMS, received the Cadastral Mapping Specialist designation in March 2014. Taylor serves as GIS Administrator for the Jefferson County Appraisal District in Beaumont, Texas. He has held that position for 15 years and previously served as a mapper and GIS technician. Taylor attended Lamar University and received an associate's degree in applied science—drafting. Taylor states he began working for Jefferson County Appraisal District at the age of 18 part-time while attending college. After 33 years of employment he is now the supervisor of the GIS department. He joined IAAO in 2011.



Kristy Bolin, CMS, received the Cadastral Mapping Specialist designation in July 2014. Bolin serves as Deputy Tax Assessor for the Pontotoc County Tax Assessor/Collectors Office in Pontotoc, Mississippi. She has held that position for over six years. Bolin is a member of the Mississippi Chapter of IAAO. She joined IAAO in 2013.



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.

IAAO Course Approval Program Update

The following table shows the current status of IAAO education offerings whose approval through the Course Approval Program of the Appraisal Foundation has or will expire this year.

Course #	Course Title	Date Approval Resubmitted	Date Approved	QE/CE	# Hours Approved	New Approval Expiration Date
101	Fundamentals of Real Property Appraisal	5/1/2014	7/7/2014	CE	33.5	7/6/2017
102	Income Approach to Valuation	5/9/2014	7/7/2014	QE/CE	33.5	7/6/2017
112	Income Approach to Valuation II	8/5/2014	8/27/2014	QE/CE	33.5	8/26/2017
201	Appraisal of Land	5/9/2014	6/10/2014	CE	33.5	7/14/2017
155	Depreciation Analysis	5/12/2014	6/16/2014	CE	15	7/18/2017

- A new version of Course 112 has been developed and is currently under review by the Education Subcommittee. Once that review is complete the new version of Course 112 will be submitted to the Foundation for AQB approval. Until that time the "current" version of Course 112 has received AQB approval.
- The one-day forum, "House Construction and Design," was discontinued when the book on which it was based went out of print.
- A complete list of previously approved courses can be accessed through the Appraisal Foundation website.

NEW DESIGNATION CANDIDATES

Arkansas

Joe D. Thompson, Jr.

Florida

Ernst F. Fritz, Jr.

James E. Davis

John L. Elder

Kansas

Brooke Medlam

Louisiana

Margaret J. Burns

Kristin H. Gonzalez

Mississippi

Kenya F. Lofton

Jeremy Sila

Renada J. Taylor

Pennsylvania

Michael G. McFarlane

Tennessee

Mark Gwinn

Virginia

Steve Burkett

Peter Lynch

Wyoming

Cynthia Rogers

Staffing Benchmark Survey Report

The highly-anticipated report is now available.

*Staffing in North American Assessment Offices:
Results of 2013 Survey*

Members: Download the FREE PDF report from the IAAO Marketplace or library catalog. The raw data spreadsheet costs \$75.

Non-Members: The PDF report is available for \$50 and the raw data spreadsheet for \$75.

Visit IAAO.org and click on the Marketplace link, e-mail library@iaao.org or call 800-606-4226 for more information or to place your order.



FOUNDATION NEWS

The next public meeting of the Appraisal Practices Board (APB) is approaching. Please take the time register for this meeting if you plan to attend. The purpose of the APB is to issue voluntary guidance on recognized valuation methods and techniques in the marketplace. This guidance is designed to be of assistance to appraisers, appraiser regulators and educators.

Date/Time:
Friday, November 14, 2014
9:00 a.m. – 12:00 p.m.

Location:
InterContinental Kansas City At The Plaza
401 Ward Parkway
Kansas City, MO 64112

Registration: If you plan to attend the meeting, please register online by clicking on the "Register Online" button below. If you have any additional questions please contact Staci Steward, Practices Board Administrator via e-mail at staci@appraisalfoundation.org, or by calling 202-624-3052.

Lodging Accommodations: You may make a reservation with the InterContinental Kansas City At The Plaza by contacting them directly at 816-756-1500. the best available rates.



Above, an unusual property in Georgetown, Maine, provides a beautiful place to read F&E. High tides and a lack of plumbing may be minor inconveniences for this authentic waterfront property, but the view provides compensation in other ways. (photo by freelance F&E Editor Barbara Simmons)

At right, Pottawattamie County (Iowa) Assessor Bill Kealy reads F&E while vacationing and visiting family in Germany.

Top right is the Neues Rathaus (New Town Hall) in Munich, Germany. The year the building was completed, 1907, a chiming clock called the Glockenspiel was added to the tower. It is one of the the most famous clocks in the world. The clock's two levels play out scenes from the history of Munich. At 11:00 am and midday each day (and 5:00 pm between March and October) the Munich Glockenspiel recounts a royal wedding, jousting tournament, and ritualistic dance—all events that have made a mark in the popular folklore of Munich.

Lower right is the famous Hofbräuhaus, a beer hall in the Munich city center. It was originally built in 1589 by Bavarian Duke Maximilian I as an extension of the original Hofbräu brewery. It was originally reserved for the King only and later was opened to soldiers to maintain morale. The general public was admitted in 1828 by then King Ludwig I. The building was completely remodeled by Max Littmann in 1897, when the brewery moved to the suburbs. In the bombing of WWII, all but the ground floor was destroyed. It took until 1958 to be rebuilt. During regular hours, traditional Bavarian music is played.

After a long day of sightseeing (and reading *Fair & Equitable*), the Hofbräuhaus is a required stop for beer!





IAAO staff read *F&E* while meeting with IAAO officers in Kansas City to discuss staff issues and recommendations to improve current workplace practices. Officers Kim Lauffer, RES, Marty Marshall, and Pete Rodda, CAE, RES participated in the meeting.



IAAO instructors read *F&E* at their annual Instructors' Supper at the Advanced Assessors' School in Virginia. The celebration has become a tradition that now includes a group reading of *Fair & Equitable* magazine. It takes place on the Thursday evening following the final day of instruction and prior to the Friday exams. The Virginia Department of Taxation holds the Advanced Assessors' School annually. This year during the week of June 9, IAAO courses 101, 102, 112, 201, 300, 311, 312, 331, 400, 500, and 600 were presented at the Stafford Campus of the University of Mary Washington. Pictured clockwise from the left are IAAO instructors Mrs. Ireland and Mike Ireland, CAE, Brian Gordineer, AAS, Dorothy Bennett, CAE, Course Coordinator Jason Hughes, Sam Pintacura, CMS, Lisa Hobart, PPS, William Henry Riley, CAE, Tony Hagenstein, CAE, Barry Couch, CAE, Jim Todora, CAE, Mrs. Fleming and Tom Fleming, CAE, and Kenneth Voss, CAE.

TECHNICAL ASSISTANCE PROJECT COORDINATOR (PART-TIME)

Independent Consultant

Salary: \$25 per Hour

Closing Date: Open Until Filled

The International Association of Assessing Officers (IAAO) Technical Assistance Committee is looking for an Independent Consultant to assist on a part-time basis. The consultant will report to the IAAO Executive Director on an administrative basis and the Chair of the Technical Assistance Committee on a technical basis.

The Consultant will be responsible for business development in the technical assistance area involving researching and documenting potential technical assistance clients. Activities may include developing correspondence, responding to requests-for-proposal (RFP's), subsequent follow-up with prospects and clients and monitoring the progress of current projects. The Consultant will assist the Technical Assistance Committee in the evaluation of projects and determining their success both financially and from a service point of view.

The Consultant must have sufficient technical knowledge involving the overall assessment field so they may assist units of government in identifying the types of services

needed as well as determining realistic time frames for delivery of promised deliverables to the client.

The Consultant would not be an employee of IAAO and therefore would not be eligible for any of the benefits associated with being an employee.

If interested, please submit resume and cover letter to:

International Association of Assessing Officers (IAAO)

Interim Executive Director

314 West 10th Street

Kansas City, MO 64105

Or e-mail Interim Executive Director Robin Parrish at:
parrish@iaao.org

DIVISION ADMINISTRATOR

Arkansas Assessment Coordination Department,
Little Rock, Arkansas

Supervises all levels of field auditing in all 75 Arkansas counties. Knowledge of the Ad Valorem tax process. Level 4 Senior Appraiser in the Arkansas Training and Designation Program or equivalent.

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Job Type: Full-Time

Minimum Education: High School Diploma/Equivalent

Minimum Experience: 5 to 7 Years

Required Travel: 10 to 25 percent

Salary Range: \$41,000 to \$53,000 annually

For more information call Debbie Asbury at 501-324-9100.

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Choose an update method:

- Send an e-mail with new information to membership@iaao.org
- Go to IAAO.org and Sign In (at the top). When updating, do not create a new profile. If you have difficulty remembering your Username and/or Password please contact membership@iaao.org.

Whichever method you choose, your information is updated quickly and you continue to receive valuable benefits.

Meanwhile...

The past few months have brought many changes to IAAO. The resignation of Executive Director Lisa Daniels and the departure of talented staff members, as they pursue opportunities to expand their careers, have tested the resilience of the organization and its ability to adjust to unplanned change.

Meanwhile...it is inspiring to observe individuals moving to positions of greater responsibility, even if they are outside IAAO. It means that IAAO has been blessed—if only for a while—with people who have contributed immensely to its success. I wish those who have left the best as they expand their talents, build families, and live productive and fulfilling lives.

It is interesting to note that many staff members who have moved to new jobs still maintain close ties to current staff and IAAO members (How did we ever get along without Facebook?). All staff members, both past and present, have uniformly expressed high praise for the organization and for its individual members. This praise reflects what IAAO members already know—that IAAO is a first-rate organization with wonderful, dedicated people. It is a tremendous compliment to any nonprofit membership organization that staff members genuinely enjoy working with and for members.

Meanwhile...IAAO continues to demonstrate resilience and an ability to adapt. President Lauffer's annual report in this issue highlights the significant accomplishments of the past year. These accomplishments, and those in recent years, have prepared IAAO for positive change in the future. IAAO has reached a threshold at which the cumulative efforts of its leaders are paying off in measurable benefits to members. I look forward to seeing those benefits and more realized in the coming years.

Meanwhile...staff members continue to provide a high level of service to IAAO members through creative balancing of priorities and a dedication to personalized assistance. The addition of two new staff positions in the past month also enhances staff capabilities.

Meanwhile...the 2014 Communication Practices Survey is currently open and waiting for members' thoughtful opinions and comments. I encourage all IAAO members to complete the survey and have a voice in the future of IAAO. Go to www.IAAO.org under Resources>Publications>Communications Survey to access the launch page for the survey or look for a link in *Assessing Info* e-news. Your participation makes a difference and enables the Communications Committee to provide meaningful recommendations to the Executive Board about communication improvements that will best serve the needs of members now and in the near future.



Chris Bennett

Meanwhile...the previous Communication Practices Survey, conducted in 2010, directly affected recommendations made to the Executive Board regarding e-publications and the expansion of online e-learning programs. Significant member participation made a difference then as it does now. The survey results indicated that the print editions of IAAO periodicals were still very important to a majority of members, but there was no objection to offering digital editions. As a result, one decision made then by the Executive Board was to create digital editions of *Fair & Equitable* and the *Journal of Property Tax Assessment & Administration*. This decision set the stage for other important initiatives such as e-memberships and international access to IAAO publications.

Meanwhile...the Executive Board recently approved a new e-membership pricing category that reduces the cost to deliver services and consequently provides the option to reduce member dues (effective date to be determined). While this option may not be for everyone, the decision will allow jurisdictions to add more IAAO members without necessarily increasing their budgets. The new pricing category requires that members receive IAAO materials electronically rather than in printed form. The savings generated by reduced printing and mailing costs are then passed on to e-members in the form of reduced dues. This fundamental shift could not have happened without feedback from members and years of preparation. Conference materials, brochures, and IAAO publications can now all be accessed electronically. *Fair & Equitable* has been available to members in e-format for four years. The journal has been available in e-format for three years. IAAO eBooks will be available soon. Online course offerings are being added on a regular basis. With the introduction of e-membership pricing, the ability to expand membership opportunities to more assessment professionals is becoming a reality.

Meanwhile...with the ongoing flood of baby boomers retiring from the assessment profession, offering e-memberships to younger professionals cannot come soon enough.

Please participate in the current Communication Practices Survey so your thoughts and opinions can be considered within the context of future member needs.

Sincerely,

Chris Bennett

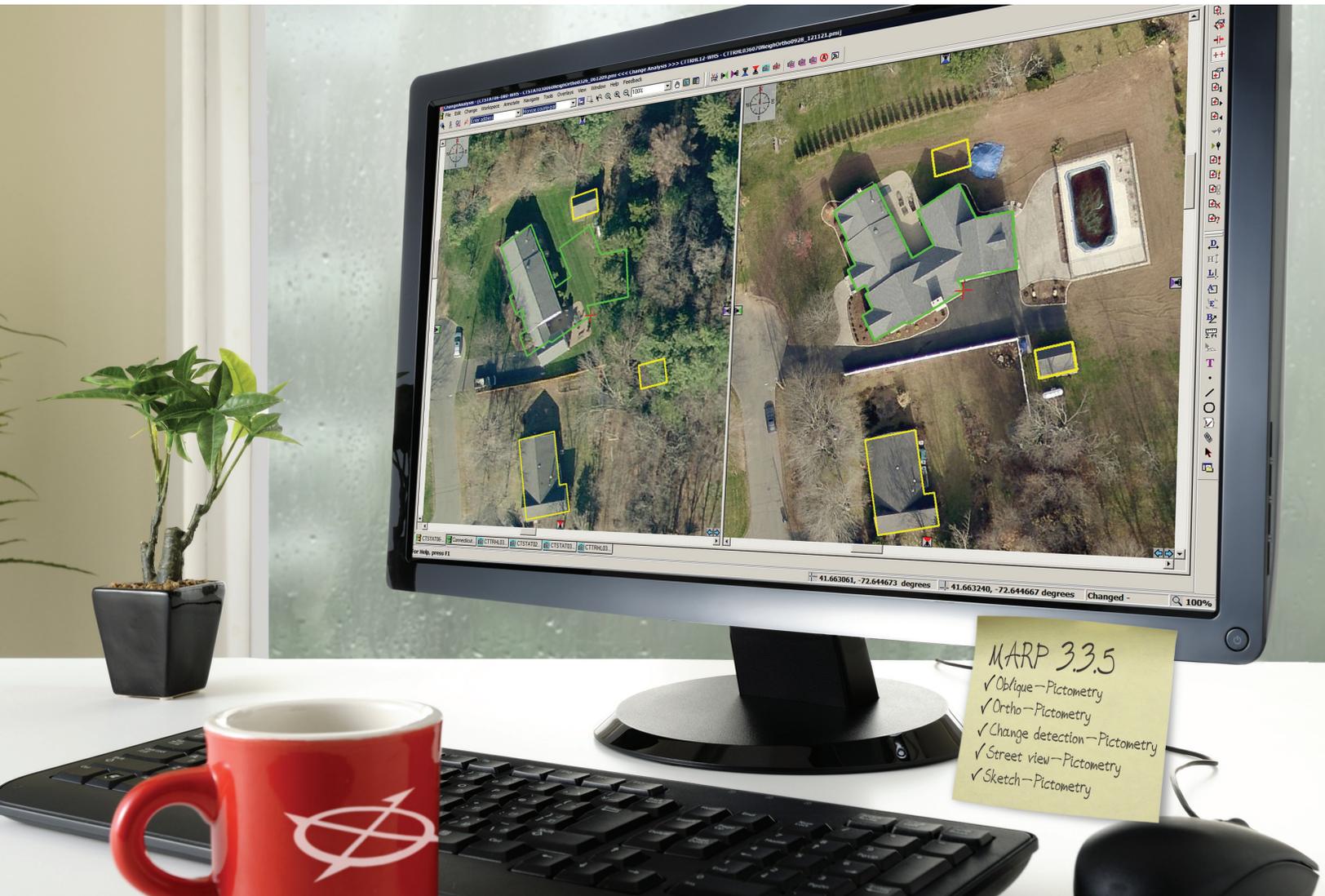


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