Disasters are terrible...
The latest disaster striking the Gulf States where it’s estimated that some 90,000 square miles of area has been impacted by Hurricane Katrina. The only difference in disasters is their size. For assessors and other local county government officials around our country, this type of devastation should send shivers up their spines. This type of devastation may show how vulnerable your important government records would be in case a similar disaster hit your part of America.

The initial problems from the disaster are enormous. But those of us in local government know that the media and public interest in this tragedy will wane as time passes. But the issues that will trickle into focus in a few weeks are going to be equally devastating. After the satellite trucks and national media leave, we’ll still be here responding to the needs and demands of our customers, the taxpayers.

For the hardest hit areas, the economy is destroyed. With this devastation, no one works, no one produces income, no one gets paid, pays their mortgages, pays their property taxes, buys things and pay sales taxes, so the whole economy crumbles and the shudders are felt around the nation. What will happen in six months or a year? Will the city or federal government allow any homes to be rebuilt in an area that is 10 feet below sea level? Will any mortgage company loan money to someone who wants to rebuild 10 feet below sea level?

For assessors who are required to keep the records of where property is and measure its value to figure property taxes, some could be in the position of being required by law to send property tax assessments to property owners who no longer have a home. Can you imagine the double whammy? Not only are you homeless, but you are expected to pay property taxes on a home that is destroyed.

In the Gulf States devastated by Katrina, how will you evaluate the damage? When folks get back to where their home is, or where it was, how do they determine who owns what? If your local county assessor has Geographic Information Systems (GIS), where data is stored on computers backed up at remote locations, it will be easier to determine the damage and streamline the FEMA and insurance claim process.

If your assessor hasn’t started the GIS process, maybe it’s time to begin to computerize property records to help eliminate ownership confusion after devastating storms. Having these secure records on a computer makes much more sense than trying to find paper documents that may be floating with tons of raw sewage in what used to be your backyard.

County Clerks or Recorders may look at the devastation and be more interested in computerization of ownership and mortgage records. Without these records, damage and insurance claims may be further delayed.

Court Clerks may also be more interested in computer scanning of documents and storage in response to the storm damage to make the information more secure.

The biggest problem government officials will have in determining the damage is where to start. In Oklahoma, we have had our share of natural disasters, from the terrorist bombing of the Alfred P. Murrah Building to natural disasters like storms and tornadoes that wreak havoc.

When the tornadoes hit Oklahoma back in May of 1999, there were approximately 2,539 homes and businesses that were partially damaged or totally destroyed. How do you determine the damage to a home when you don’t know where the home is or where it should be? Plat maps and aerial photos are essential, and with the advances of technology, you could even map addresses on a commonly used program to get a good estimate on where the property “should be” after the storm damage from Katrina.

Many state laws set certain deadlines for assessors to provide property tax relief. Unless there are provisions for an extension, county assessors can only provide property tax relief if the storms happen before a date certain. It’s May 31 of each year in Oklahoma.

Similar laws in other states set certain deadlines for making adjustments in property tax assessments. The timing for funding of government services and establishing budgets for schools and county operations has to have a starting point and the estimate of revenue is set in stone. With advances in technology, perhaps those times could be adjusted in states where dates were set based on outdated times or based on the statement that, “We’ve always done it that way.”

Maybe assessors should look at the deadline for when the “bell rings” and the assessment period for the Board of Adjustment to make any changes in assessments and taxes. What would

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this data, our valuation adjustments for fire-affected improved properties required only a minor increase in value. Accordingly, we decided to remove the prorated 10% reduction for improvements (5.4% net reduction) on all fire-affected improved properties for the 2004 level of value.

**Vacant Sales Findings**

The 15 vacant land sales ranged in size from .85 to 10 acres with 11 being under 1.5 acres. Their time-adjusted sales prices ranging from $22,000 to $300,000, with only 2 over $100,000. A sales ratio analysis showed that our value for these sales was about 33% below market. Countywide, our values were about 35% below market, and the average of the three economic areas was about 31% below market.

On the surface, this data would indicate that fire-affected properties are valued consistently, relative to non-fire-affected properties in the county, and should be adjusted accordingly. However, the vacant fire-affected properties that sold were not representative of typical vacant fire-affected properties. Most had offsetting amenities, such as a view or high-demand location, or were located on the fringes of the burn area, which made these properties more desirable than most other fire-affected properties. We didn’t have sufficient data to estimate how typical vacant fire-affected properties might differ from these more desirable fire-affected properties. Therefore, the reduced land value of fire-affected property was reappraised for the 2004 level of value using the same relative neighborhood adjustments as were used for the neighborhood to which a particular fire-affected property belonged. We made no changes to the 2002 prorated land reductions for fire-affected properties.

**2005 Protest Period**

There were less than a dozen protests citing fire or flood damage as a reason for requesting a valuation review. Upon review, only a couple property values were adjusted. Since undervalued property owners seldom protest, we can only conclude that the fire- and flood-affected properties have, for the most part, not been overvalued.

**Conclusion**

The early, active, and collaborative involvement of an assessor’s office is critical to the assessment and valuation process when responding to natural disasters. Natural disasters are, by nature, unexpected and disruptive. The problems they create are overcome or mitigated through collective action with each individual, agency, and organization playing their contributory role. The role of our office within this framework has become much clearer as a result of the Missionary Ridge and Valley Fires.

The impact of the wildfires and flooding on property values in our county has also become clearer since 2002 and will become clearer with each reappraisal cycle. It is the buyer who ultimately sets the market and, unlike the owner who has experienced the disaster’s impact firsthand and knows what the property was like before, the buyer is most often seeing the property for the first time. It is the buyer’s evaluation of a property’s worth that will ultimately determine the impact of the fires and floods on property values in La Plata County.

**Author’s Note**

A 24-page document including all of the policies, classification systems, protocols, and sales data discussed in this article is available on-line from the La Plata County Assessor’s Web site at http://co.laplata.co.us/ast.htm or by sending $7.00 (US) to the La Plata County Assessor’s Office at P.O. Box 3339, Durango, CO 81302, USA. ■

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