



Ad Val Advisor

The Newsletter
for Wyoming
Property Tax
Appraisers

Inside:

- ◆ Note from the Administrator
- ◆ About Property Characteristics
- ◆ Appraisal Services News
- ◆ Taxing Entity Compliance Update

Property Tax Division Newsletter

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From the Administrator

A Loss in the Wyoming Assessment Family

I had started a couple of weeks ago to write my usual monthly "From the Administrator" column for the Advisor. I was going to talk about the usual things—assessment issues, the CAMA deployment, and the like. That's not the column you will be reading this month. The untimely passing of Mike Knapp, Deputy Assessor in Albany County, changed that.

I must admit that I did not know Mike as well as many other employees in the Wyoming assessment community did. I have not been working in the Wyoming assessment community long enough to have fully developed the professional

relationships that come with time. My interactions with Mike were fairly limited. What I do know about him was that he was a dedicated assessment professional and a key member of the Albany County Assessor's staff. He cared about his work and he cared about the people he worked with. On a personal level, I know that he was an avid sportsman who loved Wyoming. It was also very obvious to anyone who knew Mike at all that he cared very much for his fiancé, Dixie Huxtable, herself a dedicated county Assessor and Wyoming Assessor's Association President. Thus, Mike's passing is not only a significant professional loss to the Wyoming assessment community, but a devastating personal loss as well.

Unlike many "industries", the property assessment community is not a large one. Across the country, only handfuls of people in each state can call "assessment" their profession. That is especially true here in the Rocky Mountain states. Reflective of Wyoming's small population, the assessment community here is relatively small. Not surprisingly, many enduring professional relationships and personal friendships develop in such a small field of people, who also hold common professional interests. That is part of what makes this a fulfilling profession, but it also can bring pain when tragedy strikes within the assessment "family." Such is the case now.

I realize, too, that Mike's passing is not the only personal pain or difficulties facing the members of the Wyoming assessment community. There have been, and will be, others in

our "family" that confront personal loss. Sadly, several members of our "assessment family" have, within the past several months, faced deaths and catastrophic illnesses within their own circles of immediate families and friends. I would hope that, when those difficulties arise, the Wyoming assessment community will come together to comfort its affected members in their time of need. I know that will happen, because I can say without reservation, many of my most dear and loyal friends have been those that I have met through this profession. I know that the Wyoming assessment community holds true to that creed.

My deepest personal sympathy goes out to Mike Knapp's family, Debbie Smith and her staff at Albany County, and to Mike's fiancé, Dixie Huxtable. We will all miss Mike Knapp.

Wade W. Hall
Administrator
Property Tax Division

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Appraisal Services

Group News

By now, all of you probably know that the Property Tax Division (formerly the Ad Valorem Tax Division) has undergone a re-organization that became official on July 1st. The changes have been many for the individuals and programs involved. Two general sections have been created: The CAMA/GIS/IT Services Group managed by David Chapman and the Appraisal Services Group (ASG) managed by Kenneth Uhrich. Look for a complete organizational chart with names, titles and phone numbers in the next issue of the Ad Val Advisor.

The primary purpose of the structural change is to better serve you, the county Assessors and staff, in addition to the taxpayers who own property valued by the Department of Revenue. As with any change, a great deal of cross-over training and assistance will be built into the roles of each group and individual staff members. Your patience is appreciated as the new direction begins for everyone.

This article is to address the Appraisal Services Group and how the staff can best serve your needs within the county. Identified below are some of the basic areas the group will cover. Please keep in mind that the ASG functions are "appraisal orientated". If an issue becomes one that involves both appraisal and CAMA, joint efforts will be instituted to assist your needs. Issues that are directly CAMA related will be referred to the CAMA/GIS/IT Services Group.

Appraisal Service Group General Functions:

- General property tax appraisal/assessment issues or questions regarding local and state valuations.

- Agricultural Land Program-appraisal components.
- Annual Report - Property Tax Division portion for Department.
- Appraisal and assessment standards.
- Education Programs Management.
- Local assessment support on appraisal issues, practices, and procedures.
- State valuations of public utilities, telecommunications and transportation industries.
- Personal Property Manual.
- Personal property - minerals, oil and gas.
- Personal property support and operations.
- Wyoming Public Service Commission - Uniform Assessment Program.
- Private rail car property appraisals and taxation.
- State valuation – litigation.
- Property Tax Division review of abstracts.
- Property Tax Division review of mill levy reconciliation.

The staff members in the ASG are: Cayse Cummings, Joyln Stotts, Jeff Moore, Jim Felton and Bob Cordingly – all classified as Principal Appraisers. In addition, Jack Rehm, also a Principal Appraiser, will become more active in the ASG as the legacy systems come to an end over the next number of months. Currently, Jack will continue to assist with the education programs along with his primary duties in the CAMA/GIS/IT Services Group.

For a more specific list of staff and their functions, please refer to the Wyoming Department of Revenue, Property Tax Division, "Important Contacts" list.

Finally, the Appraisal Services Group would like to solicit from each of you in the county assessment arena those appraisal projects (residential, commercial, industrial or personal property) you

need assistance with. The staff is here to work with you on non-CAMA related training and help enhance your appraisal procedures to best serve the roles of the counties and the Department. Should you have specific needs or requests, please forward them to Kenneth Uhrich, Appraisal Services Group Section Manager Kuhric@state.wy.us or (307) 777-5232 or fax (307) 777-7527.

Hopefully, this brief overview will provide you with some insight into the new changes taking place and how we can serve your appraisal needs.

Kenneth C. Uhrich
Appraisal Services Group Manager
Property Tax Division

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Taxing District Update

Where has time gone? The taxing entity compliance work is sure keeping us busy! This reporter, along with several members of the CAMA/GIS/IT section, have been meeting and reviewing documentation sent by the entities. The committee review process is very close to being complete.

In a few weeks, the committee will start mailing letters advising each governmental entity of their status. The letter will inform the entity of any missing document(s) needed to



complete their file and be compliant. The special districts have until November 1st to submit the necessary information. We will be including a copy of the proposed rules which should help answer some of their questions regarding the requirements.

We are still receiving several phone calls from a number of the entities. Thanks to our Tax District Database, we are able to process their inquiries fairly rapidly and track their status. Surprisingly, some of these calls are from long time established special districts wondering what the requirements are.

Should you know of any special district in your county with the **ability** to levy, please advise us. DOR needs their mailing address, phone number, and/or email address.

Bob Eicher
GIS Analyst
Property Tax Division

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Quote of the Month

To avoid criticism, do nothing, say nothing, be nothing.

ELBERT HUBBARD

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Calling a Spade “a Spade”

I'm very lucky to have what I believe is a pretty talented appraisal staff here at the Division. Every so often, though, I like to get back in touch with my mass-appraisal "roots." So, as the conversion of legacy data from the old CAMA system to the new CCI system progresses, I have listened to both Division staff and Assessors talk about appraisal techniques and issues. What I have

heard is that, in many ways, the old systems were not very flexible, and that Assessors and their staffs had to develop numerous "workarounds" to get property appraised. That, in some cases, included modifying property characteristics to something other than what was physically present on the parcel in order to complete the appraisal.

Fortunately, the new CCI system has the tools and flexibility to allow the appraiser to use the system to accurately appraise property without using those often hard to justify workarounds to get the job done. I remember an appraisal instructor early in my assessment career saying it this way: "In a CAMA system, when you are listing the characteristics of a property, call a spade 'a spade'. Don't list a characteristic as something that it is not." The instructor went on to say that there should be numerous ways to estimate (and justify) depreciation (physical, functional, or economic) or appreciation in a property without misidentifying characteristics.

There are a number of important reasons to list property characteristics accurately. First, it is manifestly easier to explain to a taxpayer. When I was an Assessor (yes, I still remember that!), my first step with a protesting taxpayer was to go over the property characteristics with him or her. If the property inventory was accurate, then any disagreement

that the taxpayer and I would have would be over valuation, not a disagreement over facts. Second, clean, accurate data is a critical component in developing a credible appraisal (mass or fee). The word another one of my appraisal instructors used (and I have not forgotten) is "pristine." He emphasized again and again the need for a "pristine" data set to be able to do good analysis. Or, stated (very bluntly) in the negative, "Garbage in, garbage out." Finally, the data which



resides within the Assessor's dataset increasingly has uses beyond assessment. Oftentimes, especially in smaller jurisdictions, the Assessor's dataset is the only one containing property-specific or parcel-specific data within the county. As an example, when the wildfire danger is extreme in a county, roof-type data might be very valuable to a fire department that is preparing a structure defense plan. While it is not (and never has been) the Assessor's prime responsibility to gather data for non-assessment purposes, other outside interests often do rely on that data. Whether it is a local entity, the Division, the State Board of Equalization or the State Legislature, more and more agencies and groups rely on property characteristic data that is aggregated from the Assessors' datasets. Often, statewide policy decisions may be, at least in part, based on conclusions drawn from the analysis of such data.

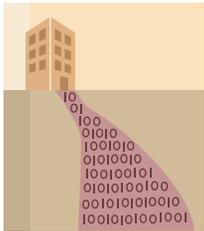
All three approaches to value rely on property characteristics to one extent or another. The cost approach, being a "build-up" method, relies on the largest number of characteristics. In developing a market model, the appraiser must determine what property characteristics contribute to value. Property characteristics also influence a property's ability to generate income, thus are important to estimating value in the income approach. Regardless of the approach, how much value each characteristic contributes to total fair market value is where the "art" of appraisal must be exercised, and that amount may vary over time and space. In estimating market value (and that's what the goal is), the appraiser must ultimately determine what the contributory value is for each characteristic for the subject property or properties. Regardless of what CAMA system is available, this is not an "automatic" process.



Consider this example of an outdoor swimming pool. The cost of this characteristic of a property is relatively simple to calculate. But what is its fair market value? If the swimming pool is located in Phoenix, it probably will contribute substantially to the property's market value, possibly in excess of its actual cost. In a harsh northern climate, the cost to construct an outdoor swimming pool may be close to the cost in Phoenix, but the pool may contribute little value, if any, to the fair market value of the property. Does this mean that the pool should not be listed as a characteristic of the "northern" property? No, it should be accurately listed, but the value may be adjusted to reflect the local market. Obviously, the adjustment must be based on sound analysis—and should be equitable, defensible, and uniformly applied.



One of the key components to the conversion from our legacy systems to the new CAMA system is insuring that property characteristics are correctly captured and carried to the new system. The conversion documents that the Standards Committees agonized over were designed to ensure this. Included with the new system are the Marshall & Swift Cost Tables. "Clean" property characteristics and well-accepted cost tables are a good *start* to the development of good appraisal models, but they are only a start. The development of an accurate fair market appraisal model still relies on the expertise and judgment of the appraiser. That is where the "art" in appraisal comes into play. But that's another story.



Wade W. Hall
Administrator
Property Tax Division

Upcoming Ad Valorem Sponsored Education

07/14/05

Critiquing an Appraisal,
Laramie, WY

08/22/05 – 08/26/05

IAAO Course 600,
Principles & Techniques of
Cadastral Mapping,
Thermopolis, WY

10/03/05 – 10/04/05

IAAO Workshop 163,
Marshall & Swift Cost Approach –
Commercial,
Evanston, WY

For information on classes, please
contact

Jack Rehm at (307) 777-5313, or
email: jrehm@State.wy.us