

LOUISIANA TAX COMMISSION
RESIDENTIAL PROPERTY TAX ASSESSMENTS



PERFORMANCE AUDIT
ISSUED JULY 10, 2013

**LOUISIANA LEGISLATIVE AUDITOR
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**FOR QUESTIONS RELATED TO THIS PERFORMANCE AUDIT, CONTACT
GINA BROWN, PERFORMANCE AUDIT MANAGER,
AT 225-339-3800.**

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

July 10, 2013

The Honorable John A. Alario, Jr.,
President of the Senate
The Honorable Charles E. "Chuck" Kleckley,
Speaker of the House of Representatives

Dear Senator Alario and Representative Kleckley:

This report provides the results of our performance audit on the Louisiana Tax Commission (LTC). The purpose of this report was to determine if LTC's oversight of parish tax assessors ensures that residential property tax assessments are accurate.

The report contains our findings, conclusions, and recommendations. Appendix A contains LTC's response to this report. I hope this report will benefit you in your legislative decision-making process.

We would like to express our appreciation to the management and staff of the LTC for their assistance during this audit.

Sincerely,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/ch

TAX COMMISSION 2013

Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



Louisiana Tax Commission Residential Property Tax Assessments

July 2013

Audit Control # 40120059

Introduction

This performance audit evaluates the Louisiana Tax Commission's (LTC) oversight of parish tax assessors with respect to the residential property tax assessment process. According to Louisiana Constitution Article 7 Section 18 (LA-Const. Art. 7 §18), the correctness of assessments by the assessor shall be subject to review first by the parish governing authority, then by the LTC or its successor, and finally by the courts, all in accordance with procedures established by law. In addition, Louisiana Revised Statute (R.S.) 47:1837 requires LTC to enforce all laws related to the state supervision of local property tax assessments and measure the accuracy (assessment level and degree of uniformity) of assessments conducted by parish tax assessors for each type of property in the state. The Constitution further requires the parish tax assessor to assess a residential property's tax value at 10% of its fair market value and that all property subject to taxation be appraised every four years.

During calendar year 2012, Louisiana had over 2.3 million residential and commercial properties with an assessed value of approximately \$25 billion.¹ The homestead exemption reduced the taxable value by approximately \$6.9 billion. LA-Const. Art. 7 §20 provides that a resident's homestead exemption should not be greater than \$7,500 of the assessed value of the property and that a homeowner cannot have a homestead exemption on more than one residence. Our audit objective was as follows:

Does LTC's oversight of parish tax assessors ensure that residential property tax assessments are accurate?

Appendix A contains LTC's response to this report, Appendix B details our scope and methodology, and Appendix C provides background information on the roles of the LTC and parish tax assessors.

¹ Because of the methodology LTC uses to collect its data, we could not break out the assessed value of residential properties from that of commercial properties.

Does LTC's oversight of parish tax assessors ensure that residential property tax assessments are accurate?

LTC's oversight of parish tax assessors does not ensure that residential property tax assessments are accurate. We found that:

- LTC did not follow up on properties that were outside the 9% to 11% acceptable range of their fair market value. We found some homeowners who owed significantly more in property taxes than their neighbors, despite the properties having similar fair market values.
- LTC approved changes in property tax assessments submitted by parish tax assessors without determining the accuracy of the new assessments.
- LTC does not ensure that parish tax assessors reappraise properties every four years as required by the Constitution.

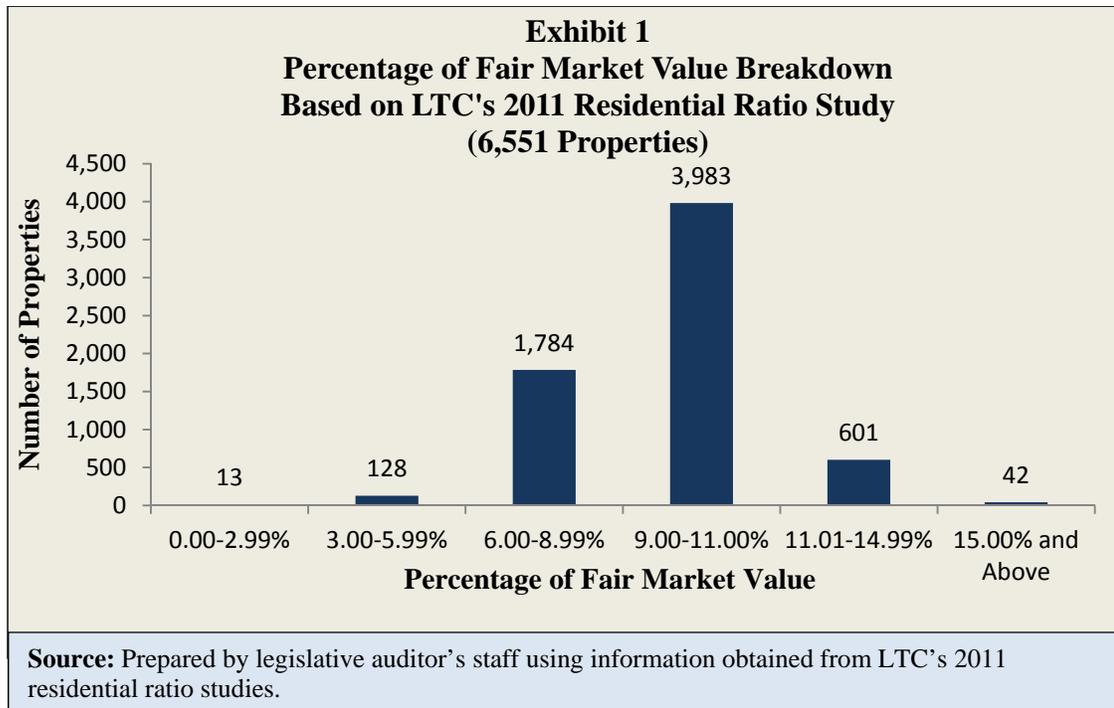
We also found that LTC has begun studying the feasibility of a homestead exemption database as requested by HCR 2 of the 2012 Regular Session. This type of database would assist LTC to identify residents who received from their parish assessor a homestead exemption greater than \$7,500 of the assessed value of the property or on more than one residence which are prohibited by the Constitution.

LTC did not follow up on properties that were outside of the 9% to 11% acceptable range of their fair market value.

LTC measures the accuracy of the parish tax assessors' residential property tax assessments every four years through its residential ratio study process. This process, as summarized in Appendix D, is conducted at the parish level, on a sample of properties selected by LTC, in accordance with state law. Specifically, Louisiana Revised Statute (R.S.) 47:1837 states that a parish's overall assessed value, which is based on the median property assessment, should not deviate by more than 10% (i.e., should not fall outside of 9% to 11%) from the percentage of fair market value. While LTC does conduct residential ratio studies in accordance with state law, the ratio study process does not, nor is it designed to, ensure that parish tax assessors assess each individual residential property at 10% of its fair market value as required by Louisiana Constitution Article 7 Section 18 (LA-Const. Art.7 §18).

In order to promote compliance with the requirements of the Constitution and laws of the state, R.S. 47:1837 requires LTC to issue and allows it to amend or revise rules and regulations containing minimum standards of assessment and appraisal performance. In addition, state law requires LTC to make the necessary inspections, investigations, and studies for the adequate administration of its responsibilities which includes the enforcement of all laws related to the state supervision of local property tax assessments.

Upon review of the 6,551 properties in LTC's 2011 Residential Ratio Study (2011 ratio study), we found 2,568 (39%) of the individual properties did not fall within the 9% to 11% range of their fair market value as determined by LTC as part of the ratio study.² This means that at least that many properties were not assessed at 10% of their fair market value as required by the Constitution. Exhibit 1 shows the number of residential properties in the 2011 ratio study and where they fell with respect to their percentage of fair market value. Appendix E summarizes the number of properties, by parish, that did not fall within 9% to 11% of the fair market value based on the 2011 ratio study.



State law requires LTC to order the parish tax assessor to reappraise property in a parish if the parish fails the residential ratio study. Despite 2,568 (39%) of the individual properties in the 2011 ratio study not falling within the 9% to 11% range of their fair market value, no parish failed the study. However, this does not mean that all property tax assessments within that parish are accurate. According to LTC, it sends the parish tax assessors the results of its ratio studies, including those properties assessed outside 9% to 11% of the fair market value. However, LTC does not follow up with the assessors to determine the reasons for the discrepancies and whether or not they are valid. For example, a discrepancy may exist because LTC's determination of fair market value may differ from the parish tax assessor's determination due to the way square footage is calculated.³ A discrepancy may also exist because the parish assessor may not have reappraised the property every four years, as required by state law.⁴

² Appendix D contains a summary of the ratio study process.

³ LTC determines fair market value based on property square footage measurements obtained from independent data collected by realtors or measurements performed by LTC appraisers. However, per state law (R.S. 47:2324), parish assessors may use square footage data that is self-reported by property owners.

⁴ The reappraisal of properties is further discussed on page 7 of this report.

According to LTC, it does not have the resources to follow up on every property that is outside the 9% to 11% range. However, LTC could develop a follow-up process that is risk-based. For example, it could follow up on those properties with the largest discrepancies in fair market value such as those whose percentage of fair market value fell below 6% or above 15% during the ratio study. For the 2011 ratio study, this would involve 183 properties. A risk-based follow-up approach would help LTC ensure that homeowners' property tax assessments are accurate. Using the 2011 ratio study results, we found that some properties in the same neighborhood and with similar fair market values had significant differences in the assessed values of their homes. This resulted in some homeowners owing significantly more in property taxes than their neighbors.⁵ However, LTC did not follow up on these properties so these differences were not resolved from 2011 to 2012. Exhibit 2 shows examples of the property tax amounts due in 2011 and 2012 for each property along with a comparison of the 2012 taxes due between properties with similar fair market values calculated by LTC within the same neighborhood.⁶ Appendix F contains additional examples.

⁵ LTC has statewide residential property tax assessment data available on its website at http://www.latax.state.la.us/Menu_ParishTaxRolls/TaxRolls.aspx. This data is searchable by address, assessment number, subdivision, and legal description.

⁶ Our analysis is limited to a sample of properties from the 2011 ratio study. Because of the time and resources involved in searching and analyzing the data, we were unable to identify all instances where homeowners with properties in the same neighborhoods and with similar fair market values had significant differences in the assessed values of their homes.

**Exhibit 2
Same Neighborhood Property Comparison Examples
Based on LTC's 2011 Residential Ratio Study**



Property A

Living Area: 2,848 square feet
 LTC's Fair Market Value: \$569,600
 Assessor's Assessed Value*: \$65,000
 Percent of Fair Market Value: 11.4%
2011 Taxes Due: \$8,564.37
2012 Taxes Due: \$8,534.47

Property owner
**A owes 246%
 more in 2012
 property taxes
 than property
 owner B**



Property B

Living Area: 2,812 square feet
 LTC's Fair Market Value: \$562,400
 Assessor's Assessed Value*: \$23,760
 Percent of Fair Market Value: 4.2%
2011 Taxes Due: \$2,478.18
2012 Taxes Due: \$2,469.72



Property C

Living Area: 1,370 square feet
 LTC's Fair Market Value: \$209,610
 Assessor's Assessed Value*: \$20,500
 Percent of Fair Market Value: 9.8%
2011 Taxes Due: \$1,368.80
2012 Taxes Due: \$1,462.25

Property owner
**C owes 249%
 more in 2012
 property taxes
 than property
 owner D**



Property D

Living Area: 1,298 square feet
 LTC's Fair Market Value: \$198,594
 Assessor's Assessed Value*: \$11,300
 Percent of Fair Market Value: 5.7%
2011 Taxes Due: \$400.11
2012 Taxes Due: \$418.44

* The Constitution requires parish tax assessors to assess residential property at 10% of its fair market value. For example, a property with a fair market value of \$100,000 should have an assessed value of \$10,000.

Note: This analysis controlled for the homestead exemption (i.e., both properties in the comparison either have a homestead exemption or do not have a homestead exemption).

Source: Prepared by legislative auditor's staff using information obtained from LTC's ratio studies and parish tax roll data.

Recommendation 1: LTC should develop a process to follow up with parish tax assessors when properties identified in the residential ratio studies fall outside of the 9% to 11% range. This could include a risk-based assessment to determine the most critical properties requiring follow-up.

Summary of Management's Response: LTC disagrees with this recommendation. According to LTC, state law requires LTC to monitor the overall level of assessment on a parishwide basis, not on an individual property basis. At the conclusion of every ratio study, LTC staff submits a copy of each study to the local assessor. The assessor is clearly made aware of the properties that are outside of the acceptable range, but it has not always been a requirement for the assessor to correct these. Beginning with the 2012 Commercial ratio study, LTC will include a statement on the results page that is signed by the parish assessor indicating that it is the assessor's responsibility to correct any assessments outside of the acceptable range of value. In addition, LTC will attempt to perform a risk-based assessment analysis and follow up with assessors on those properties whose ratios are below 6% or above 15%. See Appendix A pages A.4 and A.5 for LTC's complete response.

LTC approved over \$118 million in assessment decreases and \$10 million in increases for business and residential properties from calendar years 2010 through 2012 without determining the accuracy of the new assessments.

Louisiana Administrative Code (61:203) requires parish tax assessors to submit change orders to LTC to correct errors and omissions in the certified tax rolls⁷ of the appropriate parish. Three LTC staff review the change order forms for completeness and then make recommendations to the Commission on whether to approve or deny the requests. However, LTC staff does not verify the accuracy of the information on the change order forms or determine if the proposed assessment values are accurate. We attended four Commission meetings in February and March of 2013 during which LTC staff presented a total of 8,884 change orders to the Commission and recommended 8,822 (99%) for approval.

According to LTC, it does not have the resources to verify the accuracy of every change order it receives. However, LTC could develop and use a risk-based approach such as reviewing those change orders that result in a significant change in the assessed value. Using a risk-based approach would assist LTC to ensure that the assessment values the Commission is approving are accurate. In turn, this would help LTC ensure that homeowners' property tax assessments are accurate.

⁷ A parish tax roll is a listing of all property and its assessed value within that parish. Parish tax assessors can make changes to the tax rolls during the open period, which occurs between August 1 and September 15 each year, without LTC reviewing the changes. Outside of that time frame, parish tax assessors must submit change orders to LTC. LTC certifies each parish tax roll by November 15 each year.

During calendar years 2010 through 2012, the Commission approved over \$118 million in assessment decreases for 20,822 business and residential properties. During the same time period, the Commission approved \$10 million in assessment increases for 3,374 business and residential properties. Without a more thorough review of the change orders submitted by the parish tax assessors, LTC cannot ensure that the proposed assessed values submitted to the Commission for approval are accurate. For example, during calendar year 2012, the Commission approved a decrease in the assessed value of one residential property to \$61,420 when a similar property on the same street had an assessed value of \$73,467.

Recommendation 2: LTC should develop a risk-based process to ensure the proposed assessed values submitted by the parish tax assessors on change orders are accurate before making a recommendation to approve or deny the requests.

Summary of Management's Response: LTC disagrees with this recommendation. According to LTC, it processes over 60,000 change orders annually and the rough average of the amounts involved in each are approximately \$50 in taxes. It would be a tremendous waste of taxpayers' resources to devote an inordinate amount of time to each. In addition, almost all change orders result from an agreement between the assessor and the taxpayer and the assessor's certification is confirmation of the correctness of the change order. LTC further states that its Administrative section currently monitors change order value changes and an analysis of the change order is done by the Appraisal staff if changes in values exceed certain percentages, especially if the change order results in an increase. See Appendix A pages A.5-A.6 for LTC's complete response.

LLA Additional Comments: During the audit, LTC did not have any formalized policies or procedures for determining when and how to perform an analysis of change order values. In fact, LTC did not inform us that it had such a process until we provided management with this report. While LTC states the parish assessor's certification is confirmation of the correctness of the change order, LTC is responsible for oversight of the parish tax assessors. Using a risk-based process to select change orders on which to follow up would not take up an inordinate amount of time, nor would it be a tremendous waste of taxpayer resources. Instead, it would help LTC ensure that the proposed assessed values submitted to the Commission for approval are accurate and in turn, homeowners' property tax assessments are accurate.

LTC does not ensure that parish tax assessors reappraise residential properties every four years as required by the Constitution.

LA-Const. Art.7 §18 requires that all property subject to taxation be reappraised every four years. Local assessors are responsible for reappraising properties; however, LTC does not ensure this occurs. According to one recently elected parish tax assessor, some of the residential

properties in his parish had not been reappraised for over 30 years. The assessor is working on identifying and reappraising all properties in the parish so that assessments are accurate.

One way LTC could monitor whether parish tax assessors are appraising residential properties every four years would be to require the assessors to include the date of the most recent appraisal in their tax roll data. Currently, there is no requirement for the assessment date to be included in this data. LTC could also analyze the data it already collects to identify those parishes with a high percentage of assessments that had no change in fair market value over a four-year period. Even though it is possible that a property may have been reappraised without a change in fair market value, this type of analysis would provide LTC with a starting point to identify and further investigate parishes that may not be reappraising properties every four years as required by the Constitution. For example, using parish tax roll data, we found that 130,212 (21.0%) of 620,310 residential properties from the 33 parishes in our sample had the same fair market value in 2012 as in 2007.⁸ Exhibit 3 summarizes the 10 parishes from our sample with the highest percent of residential properties with the same fair market value in calendar years 2007 and 2012.

Exhibit 3 Top 10 Parishes Residential Properties with No Change in Fair Market Value Calendar Years 2007 and 2012			
Parish	Total Properties	Properties with No Change in Fair Market Value	
		Number of Properties	Percent
1. Madison	3,085	2,368	76.8%
2. Ouachita	43,044	28,325	65.8%
3. Ascension	25,425	16,272	64.0%
4. Claiborne	5,022	3,169	63.1%
5. DeSoto	6,857	4,222	61.6%
6. Red River	472	252	53.4%
7. Tensas	3,152	1,636	51.9%
8. Jackson	5,143	2,607	50.7%
9. Rapides	31,675	15,134	47.8%
10. Allen	6,153	1,698	27.6%

Source: Prepared by legislative auditor's staff using parish tax roll data.

Recommendation 3: LTC should require parish assessors to provide the date of the most recent appraisal in their tax roll data and then use this information to track if parish assessors are reappraising properties every four years as required by the Constitution.

⁸ Our sample looked at single family residential properties, which includes free standing homes or improvement to that home including decks, patios, etc. In addition, our sample included 33 parishes because the other 31 parishes were not submitting their parish tax rolls electronically to LTC or their data was unreliable for 2007.

Summary of Management's Response: LTC disagrees with this recommendation. According to LTC, if a reassessment was not performed, the ratio study would unveil it, unless, of course, property values in the parish had not changed. A field populated with a date would not ensure that the assessed value is accurate or uniform, but would simply represent the date when the assessor last reviewed the assessment. Nevertheless, the LTC has included a field in the Tax Roll Specifications in its proposal for the 2014 Rules and Regulations to require the assessor to include the date of the last appraisal in the assessor's electronic tax roll submission. This may be of some historical informational benefit to assist assessors to keep up with the reassessment dates, or assist taxpayers and other interested parties to determine same. See Appendix A page A.6 for LTC's complete response.

LLA Additional Comments: Ratio studies only review a sample of properties. Having the date of the last appraisal would allow LTC to review all properties and determine if the parish assessors are reappraising properties every four years as required by the Constitution. In instances where the date of the last appraisal is outside of the four-year time period, LTC could follow up with the assessor to determine why the property was not reappraised.

Recommendation 4: LTC should use current parish tax roll data to identify properties without a change in fair market value over a four-year period and follow up with parish assessors regarding these properties to determine if a reappraisal was completed.

Summary of Management's Response: LTC disagrees with this recommendation. According to LTC, during reassessment, property values can go up, down, or remain the same, depending on market conditions. If the current assessed value is within the ten percent variance allowed, the assessor may elect no change. That does not mean that an assessor did not reassess. If ratio studies indicate an increase in overall fair market values, an assessor is put on notice by that ratio study of the discrepancies. See Appendix A pages A.6-A.7 for LTC's complete response.

LLA Additional Comments: Ratio studies only review a sample of properties. As discussed on page 8 of this report, using LTC's parish tax roll data, we found that 130,212 (21.0%) of 620,310 residential properties from the 33 parishes in our sample had the same fair market value in 2012 as in 2007. This may indicate a reappraisal was not conducted. Using the current tax roll data to identify properties with no change and following up with parish assessors regarding these properties would help LTC ensure that assessors are reappraising properties every four years as required by the Constitution.

LTC has begun studying the feasibility of a statewide homestead exemption database, as requested by the Legislature during the 2012 Regular Session.

House Concurrent Resolution 2 (HCR 2), passed during the 2012 Legislative Session, requested that the LTC study and make recommendations regarding the feasibility of a statewide homestead exemption database. This type of database would assist LTC in identifying residents who received a homestead exemption from their parish tax assessor greater than \$7,500 of the assessed value of the property or on more than one residence, which are prohibited by LA-Const. Art. 7 §20.⁹ As of March 2013, LTC has contacted legislators, parish assessors, and software vendors as part of studying the feasibility of a statewide homestead exemption database. We looked at other states and found that Mississippi monitors homestead exemptions by collecting social security numbers of all taxpayers who receive a homestead exemption. This allows Mississippi to determine if taxpayers are receiving exemptions on more than one residence or an exemption over the allowed amount.

To determine if anyone received a homestead exemption greater than the allowed amount or on more than one residence, we used parish tax roll data submitted to LTC and identified homestead exemptions granted to residents with the same name and mailing address. From this match, we found that during calendar years 2011 and 2012, 1,304 residents received exemptions greater than \$7,500. We discovered:

- 721 instances of individuals with multiple homestead exemptions that added up to more than \$7,500 resulting in \$165,320 in potential lost tax revenue in 2011 for those properties.
- 583 instances of individuals with multiple homestead exemptions that added up to more than \$7,500 resulting in \$132,654 in potential lost tax revenue in 2012 for those properties.

We also discovered an instance where homestead exemptions were granted on three residences in the same parish for the same taxpayer. Each homestead exemption reduced the amount of property taxes owed to that parish. We brought this instance to LTC's attention and LTC verified with the parish assessor that two of the three homestead exemptions were issued in error. LTC is currently investigating all instances we identified of potential residents receiving a homestead exemption greater than the allowed amount or on more than one residence. If LTC maintained a statewide homestead exemption database and created a unique identifier for residents receiving the exemption, LTC could more easily identify residents who are receiving a greater homestead amount than state law allows or on more than one residence.

⁹ A homeowner can receive multiple homestead exemptions when their "homestead" consists of a tract of land or two or more tracts of land, but the homestead exemption cannot exceed \$7,500 or be on more than one residence.

Recommendation 5: LTC should determine the feasibility of collecting a unique identifier using parish tax roll data for all taxpayers who receive a homestead exemption to identify taxpayers who are receiving multiple exemptions or an exemption over the allowed amount.

Summary of Management's Response: LTC agrees with this recommendation. LTC further states that the limited amount of homestead discrepancies identified in the report is a drop in the proverbial bucket and compared to the total, less than miniscule. In addition, many of the discrepancies presented in the report can be explained by legitimate reasons due to usufructs, bonds for deed, divided interests among siblings and properties sold during the calendar year. See Appendix A pages A.7 and A.8 for LTC's complete response.

LLA Additional Comments: Currently, LTC does not perform adequate analysis to oversee the homestead exemptions parish assessors grant and therefore was unaware of any discrepancies until we presented them with our analysis. If deemed feasible, using a unique identifier would assist LTC in its oversight of parish assessors and ensure homestead exemptions are granted in accordance with the Constitution.

APPENDIX A: MANAGEMENT'S RESPONSE



Louisiana Legislative Auditor
Performance Audit Services

Louisiana Tax Commission (LTC)
Checklist for Audit Recommendations

Instructions to Audited Agency: Please check the appropriate box below for each recommendation. A summary of your response for each recommendation will be included in the body of the report. The entire text of your response will be included as an appendix to the audit report.

RECOMMENDATIONS	AGREE	DISAGREE
Recommendation 1: LTC should develop a process to follow-up with parish tax assessors when properties identified in the residential ratio studies fall outside of the 9% to 11% range. This could include a risk-based assessment to determine the most critical properties requiring follow-up.		X
Recommendation 2: LTC should develop a risk-based process to ensure the proposed assessed values submitted by the parish tax assessors on change orders are accurate before making a recommendation to approve or deny the requests.		X
Recommendation 3: LTC should require parish assessors to provide the date of the most recent appraisal in their tax roll data and then use this information to track if parish assessors are reappraising properties every four years, as required by state law.		X
Recommendation 4: LTC should use current parish tax roll data to identify properties without a change in fair market value over a four year period and follow up with parish assessors regarding these properties to determine if a reappraisal was completed.		X
Recommendation 5: LTC should determine the feasibility of collecting a unique identifier using parish tax roll data for all taxpayers who receive a homestead exemption to identify taxpayers that are receiving multiple exemptions or an exemption over the allowed amount.	X	

BOBBY JINDAL
GOVERNOR



PETE PETERS
CHAIRMAN

State of Louisiana
Louisiana Tax Commission

June 17, 2013

Mr. Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor
1600 North Third Street
Baton Rouge, LA 70804-9397

RE: Louisiana Tax Commission Management's Response to Performance Audit

Dear Mr. Purpera:

Enclosed please find the Louisiana Tax Commission Management's Response to your recent Performance Audit Report.

Our staff would like to inform you that we stand by to assist with additional information or comments as needed to conclude this process.

Sincerely,

A handwritten signature in black ink, appearing to read "Pete Peters".

Pete Peters
Louisiana Tax Commission Chairman

Enclosure

JPP:bw

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A.2

LOUISIANA TAX COMMISSION
MANAGEMENT'S DRAFT RESPONSE TO
PERFORMANCE AUDIT

GENERAL COMMENTS

To begin with, the Performance Audit completely ignores the basic premise of Louisiana *ad valorem* tax law as contained in the Louisiana Constitution Article VII Section 18 (E) which provides that "The correctness of assessments by the assessor shall be subject to review first by the parish governing authority, then by the Louisiana Tax Commission or its successor, and finally by the courts, all in accordance with procedures established by law." Thus, any taxpayer, residential or business, dissatisfied with any property tax assessment has legal recourse to have that assessment reviewed for correctness at three distinct levels.

The Performance Audit also fails to take into consideration La. R.S. Title 47 Section 1992, which provides that an assessor's tax rolls "shall be exposed daily for inspection by the taxpayers and other interested persons" every year for a period of fifteen days as provided elsewhere in that section. During this "open book" period, taxpayers have the right to review their own assessments and those of any other property owner. If a taxpayer feels that his or her assessment is too high, or finds that a neighbor (or any other comparable property) has a lower assessment, he can address it during this period with the assessor. And, as above, if not satisfied with the assessor's determination, there is a constitutional right to have it addressed.

As further indications of the Performance Audit having been performed with a lack of understanding of the appropriate legal and factual background, or, even worse, with a predisposed intent to find fault where none exists, management submits the following:

- A) The Audit (page 7) incredibly contends that the auditors were told by an assessor that some of the residential properties in his parish had not been reappraised for over thirty years. For an assessor (unidentified by the audit) to admit to such malfeasance defies belief.

B) In six separate “Comparison Examples” (Exhibit 2 and Appendix F) the audit intentionally and repeatedly compares properties by using the “LTC’s Fair Market Value” compared against the “Assessor’s Assessed Value”. This is absolutely inappropriate; it is a visual gimmick designed to mislead the reader. Of necessity, under the law, an **assessed** value is only 10% of **fair market value**. The use of such disparate concepts in a one-on-one comparison is worse than comparing apples to oranges. Additionally, these comparisons are without any relational criteria other than neighborhood and square footage. One of the comparables might have had a major renovation, or a swimming pool or a gourmet updated kitchen, while the other may not have. Assessors typically ascertain those issues by an examination of building permits. Or one of the comparables may have had unrepaired storm or termite damage, for which assessors often allow reductions in assessed value until repaired.

C) In the process of the audit, the auditors were provided an opinion and supporting materials from a nationally and internationally renowned expert in property tax policy and methodology. He stated that the measures which the auditors seek to impose upon the LTC are “unknown in North America”. He further states that the LTC’s methodology is in accordance with the “Standard on Ratio Studies promulgated by the International Association of Assessing Officers (IAAO)” and is also in compliance with the LTC’s duties as established by La. R. S. Title 47 Section 1837. That opinion and supporting materials are provided as LTC Exhibit A. A later opinion by the same expert which compares the result of the LTC’s ratio study to that of a similar neighboring state basically concludes that the LTC’s result is more accurate than that of the other state. That opinion is provided as LTC Exhibit B.

SPECIFIC RESPONSES FOLLOW:

Recommendation 1: LTC should develop a process to follow-up with parish tax assessors when properties identified in the residential ratio studies fall outside of the 9% to 11% range. This could include a risk-based assessment to determine the most critical properties requiring follow-up.
(p. 6 of the report)

RESPONSE: Revised Statute 47:1837 states that the LTC shall monitor the overall level of assessment on a parishwide basis, not on an individual property basis. This is accomplished through ratio studies performed in accordance with the Standard on Ratio Studies promulgated by the International Association of Assessing Officers. These studies involve appraisals of a sampling of properties throughout the parish and

comparisons of the assessors' values to the LTC's values. Ratio studies are a common tool for oversight bodies to perform an analysis of assessment accuracy and uniformity. This is confirmed in the opinions attached as LTC Exhibit A and LTC Exhibit B by Mr. Robert Denne, of Almy, Gloudemans, Jacobs, and Denne. The firm of Almy, Gloudemans, Jacobs, and Denne is a highly respected consulting firm on all aspects of mass appraisal. They have performed consulting services all over the world as noted on their resume. As stated above, Mr. Denne opines that the LTC procedures are within the IAAO Standard, and are in compliance with the LTC's statutory duty.

Currently, at the conclusion of every ratio study, the LTC staff submits a copy of each study to the local assessor. The assessor is clearly made aware of the properties that are outside of the acceptable range, but it has not always been a requirement of the assessor to correct these issues. Beginning with the 2012 Commercial ratio study, the LTC will include a statement on the results page of the study that is signed by the assessor that it is the assessor's responsibility to correct any assessments outside of the acceptable range of value. The LTC will attempt to perform a risk based assessment analysis and follow up with assessors on those properties whose ratios are below 6% or above 15%, however, it will require additional appraisal staff to accomplish this goal. For the 2011 study, this would have included 183 properties, which is approximately 2.8% of the overall ratio study.

Recommendation 2: LTC should develop a risk-based process to ensure the proposed assessed values submitted by the parish tax assessors on change orders are accurate before making a recommendation to approve or deny the requests.

(p. 6 of the report)

RESPONSE: The LTC processes over 60,000 change orders annually. The rough average of the amounts involved in each are approximately \$50 in taxes. It would be a tremendous waste of taxpayer resources to devote an inordinate amount of time to each. Further, almost all change orders result from assessor/taxpayer communication and interaction (basically an agreement between the assessor and the taxpayer) and the assessor's certification is confirmation of the correctness of the change order. In the past ten years, with over 600,000 change orders issued by the LTC, only **ONE** has resulted in litigation.

The above notwithstanding, the LTC Administrative section currently monitors change order value changes and an analysis of the change order is done by the Appraisal staff if changes in values exceed certain percentages, especially if the change order results in an increase. Should the number of future change orders requiring analysis increase, more appraisers will be required as performing appraisals for change orders takes time away from other constitutionally-mandated duties.

Recommendation 3: LTC should require parish assessors to provide the date of the most recent appraisal in their tax roll data and then use this information to track if parish assessors are reappraising properties every four years, as required by state law.

(p. 8 of the report)

RESPONSE: The ratio study is the method used to track accuracy and uniformity of assessment in a parish. The LTC Appraisal section performs four ratio studies over the quadrennial reassessment period to verify that a reassessment was performed. Were a reassessment not performed, the ratio study would unveil it, unless, of course, property values in the parish had not changed. A field populated with a date would not ensure that the assessed value is accurate or uniform, but would simply represent the date when the assessor last reviewed the assessment. Nevertheless, the LTC has included a required field in the Tax Roll Specifications in the LTC's proposal for its 2014 Rules and Regulations to require the assessor to include in the data the assessor submits electronically as its tax roll, the date of last appraisal. This may be of some historical informational benefit to assist assessors to keep up with reassessment dates, or assist taxpayers and other interested parties to determine same. The proposal to add this provision to the LTC Rules and Regulations can be found on the LTC website.

Recommendation 4: LTC should use current parish tax roll data to identify properties without a change in fair market value over a four year period and follow up with parish assessors regarding these properties to determine if a reappraisal was completed.

(p. 8 of the report)

RESPONSE: During reassessment, property values can go up, down, or remain the same, depending on market conditions. During reassessment, values do not have to change. If the current assessed value is within the ten percent variance allowed, the assessor may elect no change. That does not mean that an assessor didn't reassess. The Performance Audit's Exhibit 3 presents interesting facts, which in all likelihood represent the accurate changes (or lack of changes) in fair market value in the designated parishes for the applicable time period (2007 through 2012). As a result of the recession which began in 2008, which hit the real estate market particularly hard due to the plethora of subprime mortgages, the Performance Audit's findings are not surprising. As before, the ratio studies examine parishwide fair market values. If ratio studies indicate an increase in overall fair market values, an assessor is put on notice by that ratio study of the discrepancies.

Recommendation 5: LTC should determine the feasibility of collecting a unique identifier using parish tax roll data for all taxpayers who receive a homestead exemption to identify taxpayers that are receiving multiple exemptions or an exemption over the allowed amount.

(p. 9 of the report)

RESPONSE: The limited amount of homestead exemption discrepancies identified in the Performance Audit report is, first of all, a drop in the proverbial bucket. Compared to the total, it is less than miniscule. And many of the discrepancies can be explained by legitimate reasons due to usufructs, bonds for deed, divided interests among siblings and properties sold during a calendar year which remained under a homestead exemption until the end of the year.

The LTC has investigated the cost of conducting a mail-out to request a unique identifier from all taxpayers who currently have a homestead exemption. That cost, based on 2012 numbers, would be in excess of half of a million dollars for the initial mail out only. The success of such a mail-out is impossible to determine, but is not likely to result in a net increase in revenue. Partly because, and in addition, pursuant to RS §1837.1. , "The ad valorem tax assessment database shall not include any tax information which is deemed confidential under any other provision of law."

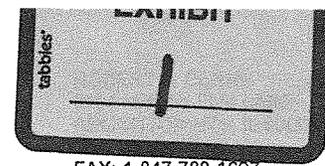
Another possible approach would be using outside contractors to assist in this process. The LTC has met with Tax Management Associates, Inc. (TMA) to discuss the feasibility of using their resources to audit all homestead exemptions filed on residential real property. TMA is one of the nation's largest and most experienced providers of revenue enhancement services for state and local government. In 2010 TMA partnered

with LexisNexis, the world's largest aggregator of data. They have overwhelming access to several unique identifiers (social security, utility bills, cell phone bills, voter registration cards, IRS info) and can analyze our tax rolls to identify possible dual or excessive homestead exemptions more closely using complex algorithms based on these unique identifiers. The cost for us to collect this data on our own, as well as employ investigators, would cost millions of dollars. TMA/LexisNexis can work on a contingency basis.



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May 13, 2013

Jeff Crosby
Director
Louisiana Tax Commission
5420 Corporate Boulevard, Suite 302
Post Office Box 66788
Baton Rouge, Louisiana 70896-6788

Dear Mr. Crosby:

The Auditor's report adopts a novel interpretation of the constitutional requirement that the LTC monitor and address deviations in the levels of assessment among the parishes. Rather than following professional standards regarding measurement and compliance determinations concerning the level of assessment, as codified by the Standard on Ratio Studies promulgated by the International Association of Assessing Officers (IAAO), which the Auditor cites with approval, the Auditor's report focuses instead on the proportion of assessments within certain percentages of the target level. Although analogous measures with names like P10 and P20 are occasionally used in Scandinavian countries, where they serve to measure not the level but rather the dispersion of the ratios in much the same way that the coefficient of dispersion does in the United States, Canada, and the IAAO standard, such measures are generally unknown in North America. For the purpose of measuring the level of assessment, and local compliance with requirements pertaining to the level, generally accepted professional standards codified in the IAAO standard focus on the median or weighted mean of a representative sample of assessment-to-sale-price ratios or assessment-to-appraised-value ratios, which are then considered in the context of both legal tolerance levels and statistical confidence intervals. Under Louisiana law, the median ratio is used, not the weighted mean ratio, independent appraisals performed by LTC personnel are used instead of using available sale prices directly, and the tolerance interval is established as ten percent in LRS 47:1837, as the Auditor notes. All of these policies accord with the IAAO standard and generally accepted practice. For compliance determination purposes, the IAAO recommendation is that a jurisdiction not be found out of compliance unless a 95-percent confidence interval around the point estimate (the median in this case) fails to overlap the tolerance interval (9 percent to 11 percent in this case). Section 11.1 of the IAAO standard provides further detail and rationale for its recommendations.

The accompanying Table 1 reports calculations of the standard statistics, including confidence intervals, recommended by the IAAO standard for the parishes included in the Auditor's report. All the listed parishes meet the level-of-assessment compliance requirement. They do so, in fact, even before taking into account the confidence-interval considerations recommended in the IAAO standard. With the exception of a few reported Price Related Differentials (PRDs), all the relevant criteria are compliant for the listed parishes. It is worth noting that there is now some professional doubt about the validity of the PRD as a meaningful measure of vertical equity (see the latest IAAO standard and recent issues of IAAO's Fair and Equitable), and there is no convenient way to calculate confidence intervals for them.

Although they have some human-interest value as a way of putting faces on what are commonly thought of as dry statistics, the Auditor's photographs and calculations of proportions of individual ratios falling within and outside bounds defined for other purposes have no precedent in resolving the issue of whether parishes meet the level-of-assessment-compliance requirements of the constitution. The requirement is that the overall level be within the interval, not that each and every ratio be in the interval or that some given proportion of the ratios be within it. The overall level of assessment is measured by a ratio statistic from a representative sample, as noted above and further described by the IAAO standard. LTC practice in respect of its statistical calculations and compliance-determination policies conforms to generally accepted norms. The Auditor's conclusion that LTC fails to "ensure that ... each residential property ... (is) at 10% of its fair market value" implicitly represents an unsupported expansion of the duties of LTC. In the context of the level of assessment, LTC's legislatively defined duty is that it take action to correct situations "(w)here the appraisal or assessment level of a parish or district deviate by more than ten percent from the percentage of fair market or use valuation as required by Article VII, Section 18 of the constitution of Louisiana and the laws of this state affecting property taxation." There is no clear indication that the noted constitutional provision imposes on LTC any additional duties in respect of the level of assessments.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert C. Denne".

Robert C. Denne

Table 1
Standard Assessment Ratio Statistics, Including 95 Percent Confidence Intervals, for 2011 Calculated from LTC Data

Group	Ratio Statistics for AssessedValue / AppraisedValue								
	Median	95% Confidence Interval for Median		Weighted Mean	95% Confidence Interval for Weighted Mean		Price Related Differential	Coefficient of Dispersion	Sample Size
		Lower Bound	Upper Bound		Lower Bound	Upper Bound			
Acadia	10.1%	10.0%	10.3%	10.2%	10.0%	10.5%	1.002	7.3%	102
Allen	9.9%	9.8%	9.9%	9.7%	9.4%	10.1%	1.000	6.7%	80
Ascension	9.2%	8.4%	9.4%	8.5%	8.3%	8.7%	.995	12.3%	151
Assumption	9.1%	8.6%	9.4%	9.0%	8.6%	9.4%	1.026	13.2%	77
Avoyelles	9.4%	9.2%	9.5%	9.2%	8.9%	9.5%	1.023	8.4%	90
Beauregard	9.4%	9.3%	9.6%	9.6%	9.3%	9.8%	1.003	7.0%	75
Bienville	9.8%	9.7%	9.9%	9.9%	9.3%	10.4%	1.021	9.4%	66
Bossier	9.2%	9.0%	9.5%	9.4%	9.3%	9.6%	.977	10.1%	160
Caddo	9.3%	9.1%	9.4%	9.2%	9.0%	9.4%	1.005	10.5%	250
Calcasieu	9.6%	9.2%	9.8%	9.1%	8.8%	9.4%	.991	15.6%	205
Caldwell	9.8%	9.7%	9.9%	10.0%	9.8%	10.2%	1.000	3.4%	67
Cameron	10.0%	9.0%	10.4%	10.1%	9.3%	10.8%	.997	18.8%	51
Catahoula	9.6%	9.4%	9.9%	9.7%	9.2%	10.2%	1.000	10.9%	75
Claiborne	10.0%	9.8%	10.5%	10.2%	9.6%	10.7%	1.029	16.0%	74
Concordia	9.5%	9.1%	10.0%	9.4%	8.9%	9.9%	1.052	16.9%	75
DeSoto	9.5%	9.1%	10.0%	9.5%	9.1%	9.8%	1.011	13.2%	91
East Baton Rouge	9.0%	8.8%	9.2%	9.2%	9.0%	9.3%	.995	9.9%	252
East Carroll	9.7%	9.6%	9.8%	9.8%	9.7%	9.8%	1.000	2.1%	73
East Feliciana	9.1%	8.9%	9.5%	9.2%	9.0%	9.5%	1.012	9.2%	75
Evangeline	9.1%	8.5%	9.5%	9.6%	9.1%	10.1%	.967	18.3%	75
Franklin	9.8%	9.5%	10.2%	9.9%	9.6%	10.2%	1.006	8.7%	75
Grant	9.5%	9.3%	10.0%	9.5%	9.2%	9.8%	1.011	9.6%	76
Iberia	9.7%	9.5%	10.0%	9.7%	9.5%	9.8%	1.010	8.1%	163
Iberville	9.4%	9.2%	10.0%	9.5%	9.2%	9.8%	.990	12.3%	75
Jackson	10.1%	9.9%	10.2%	10.1%	9.9%	10.3%	.991	5.2%	66
Jefferson	9.1%	8.9%	9.3%	9.1%	8.9%	9.3%	.991	12.9%	236
Jefferson Davis	9.8%	9.6%	10.0%	10.1%	9.7%	10.5%	.988	8.5%	80
Lafayette	9.8%	9.7%	9.9%	9.7%	9.5%	9.9%	1.001	8.9%	258
Lafourche	9.2%	8.8%	9.6%	9.2%	8.9%	9.5%	1.002	14.4%	152
Lincoln	9.8%	9.6%	10.0%	10.0%	9.7%	10.2%	.999	7.9%	69
Livingston	9.7%	9.7%	9.9%	9.5%	9.3%	9.7%	1.009	8.8%	162
Madison	9.6%	9.3%	10.1%	9.9%	9.7%	10.1%	.998	7.9%	70
Morehouse	9.9%	9.5%	10.0%	9.6%	9.3%	9.9%	1.009	10.3%	78
Natchitoches	9.8%	9.6%	10.1%	9.8%	9.5%	10.0%	1.011	8.8%	81
Orleans	9.6%	9.4%	10.0%	9.5%	9.2%	9.8%	1.019	17.1%	259
Ouachita	9.4%	9.1%	9.5%	9.3%	9.0%	9.5%	.972	17.9%	251
Pointe Coupee	10.0%	9.5%	10.5%	9.8%	9.4%	10.2%	1.013	11.9%	76
Rapides	9.5%	9.4%	9.7%	9.6%	9.4%	9.8%	1.003	10.2%	257
Red River	10.0%	9.9%	10.0%	9.8%	9.6%	10.0%	1.007	3.7%	65
Richland	10.0%	9.6%	10.3%	9.8%	8.9%	10.8%	.996	19.8%	72
Sabine	9.8%	9.6%	9.9%	9.8%	9.7%	9.9%	.995	3.7%	79
St. Charles	9.0%	8.7%	9.3%	9.1%	8.9%	9.3%	.995	9.6%	131
St. Helena	9.5%	9.1%	10.0%	9.0%	8.6%	9.4%	1.019	12.2%	75
St. James	9.0%	8.6%	9.4%	9.1%	8.8%	9.5%	1.011	12.8%	75
St. Landry	9.8%	9.6%	10.0%	9.8%	9.6%	10.0%	1.004	7.3%	148
St. Martin	9.4%	9.3%	9.6%	9.4%	9.2%	9.5%	1.010	5.2%	72
St. Mary	9.9%	9.8%	10.0%	9.9%	9.8%	10.0%	1.004	4.5%	143
St. Tammany	9.8%	9.6%	9.9%	9.6%	9.4%	9.8%	1.010	10.3%	204
Tangipahoa	9.2%	9.0%	9.4%	8.8%	8.5%	9.0%	1.014	12.6%	156
Tensas	9.8%	9.5%	10.5%	9.5%	8.8%	10.2%	1.038	16.5%	75
Union	9.9%	9.6%	10.1%	9.7%	9.1%	10.3%	1.035	10.1%	56
Vermilion	9.3%	9.0%	9.6%	9.2%	8.9%	9.4%	1.004	9.8%	90
Vernon	9.6%	9.5%	9.7%	9.6%	9.5%	9.7%	1.005	4.3%	79
Washington	9.1%	8.7%	10.1%	8.9%	8.2%	9.6%	1.047	19.9%	59
Webster	9.2%	8.4%	9.7%	8.6%	8.2%	9.0%	1.060	19.6%	105
West Baton Rouge	9.7%	9.4%	10.0%	9.6%	9.2%	10.0%	1.012	12.3%	78
West Carroll	9.9%	9.7%	10.0%	9.8%	9.7%	9.9%	1.000	5.0%	75
West Feliciana	9.9%	9.6%	10.1%	9.8%	9.4%	10.1%	1.018	11.0%	82
Overall	.096	.096	.096	.094	.094	.095	1.010	11.3%	6567

The confidence interval for the median is constructed without any distribution assumptions. The actual coverage level may be greater than the specified level. Other confidence intervals are constructed by assuming a Normal distribution for the ratios.



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Qualifications and Company Experience

Almy, Gloude-mans, Jacobs & Denne (formerly Almy, Gloude-mans & Jacobs) is a partnership formed in 1991. The firm works exclusively in property tax and assessment administration, chiefly for governments, international development agencies, and related institutions. It provides analysis of property tax policy, legislation, and technical issues; structured evaluations of property tax systems and practices, including ratio studies; mass appraisal modeling and value defense; system design, and project management; technical specifications, manuals, and course materials; training; help with strategic planning, business process engineering, and help with integration of property tax, land titling, and geographic information systems.

Its partners are Richard R. Almy, Robert J. Gloude-mans, and Robert C. Denne. As can be seen from our biographical sketches, we have considerable practical experience, and we have had leadership roles in the development of professional standards.

- Richard R. Almy has served as Executive Director and Director of Research and Technical Services of the International Association of Assessing Officers (IAAO). Prior to joining IAAO, Mr. Almy was an appraiser with the Detroit Board of Assessors, where he gained experience in land valuation, developing and maintaining cost schedules, ratio studies, and in-house revaluation projects. Mr. Almy is a co-author of *Assessment Practices: Self-Evaluation Guide* (IAAO, 1991 and 2003), a co-author of *Fundamentals of Tax Policy* (IAAO, 2008), and a senior technical editor of the IAAO textbook, *Property Appraisal and Assessment Administration* (1990). He was project director and a coauthor of *Improving Real Property Assessment: A Reference Manual* (IAAO, 1978). In addition to contributing to a number of IAAO's assessment standards, Mr. Almy has served as a member of the Appraisal Foundation's mass appraisal task force, which drafted standard 6 (on mass appraisal) of the Uniform Standards of Professional Appraisal Practice. He has directed or participated in over 100 consulting projects and teaching assignments in twenty-three countries in North America, Europe, Africa, and Asia. Mr. Almy specializes in finding practical ways to improve property tax systems.
- Robert J. Gloude-mans is a former Senior Research Associate for the IAAO. He is a former Supervisor of Computer Assisted Appraisal and Director of Research and Equalization for the Arizona Department of Revenue. He is the author of *Mass Appraisal of Real Property* (IAAO, 1999), a principal author and a senior technical editor of *Property Appraisal and Assessment Administration*, and a coauthor of *Assessment Practices: Self-Evaluation Guide* and of *Improving Real Property Assessment: A Reference Manual*. He also is the principal author of many IAAO assessment standards, including the *Standard on the Application of the Three Approaches to Value in Mass Appraisal* (1983), the *Standard on Mass Appraisal of Real Property* (1984), and the *Standard on Ratio Studies* (1990). He has taught IAAO and other courses and workshops on assessment administration, mass appraisal, and ratio studies in over thirty-five states and provinces and a number of countries outside North America. He has directed or participated in assessment consulting projects for over 100 government agencies, including major revaluation projects in Alberta, Arizona, Colorado, the District of Columbia, Florida,

Manitoba, Ontario, Tennessee, Saskatchewan, and Washington. He specializes in ratio studies, CAMA systems, mass appraisal model building, and related staff mentoring and training.

- Robert C. Denne has served as an independent consultant in assessment administration, and he held several positions with the IAAO, including Deputy Executive Director and Director of Research and Technical Services. Mr. Denne's areas of expertise include information systems, computer-assisted mass appraisal, and ratio studies. He contributed to such books as *Assessment Administration*, *Assessment Practices Self Evaluation Guide*, *Improving Real Property Assessment*, *Property Appraisal and Assessment Administration*, and several IAAO assessment standards. He directed and participated in consulting projects for the IAAO, including countless projects in the U.S. and Canada and one in Argentina. His subsequent consulting work includes work with the States of Arkansas, Louisiana, Nebraska, Oklahoma, Rhode Island, Vermont, and West Virginia as well as the Province of Alberta on a variety of ratio study issues; analyses of assessment equity have also been undertaken for additional clients in Georgia, Indiana, New York, Pennsylvania and Virginia. Analyses of property-tax related information-technology systems were performed for the states of Idaho and Wyoming, the municipality of Anchorage, Solano County, California, and the republics of Bosnia, Herzegovina, Kosovo and Montenegro. Work abroad has included three years in the Russian Federation and briefer recurring stints in Kosovo and Montenegro on property tax reform projects; each has involved development of information technology in addition to valuation aspects. He has served numerous times as a consultant to other, larger consulting firms.

Performance Audits, System Analysis, and Business Process Engineering

AGJD uses a structured approach to making procedure audits and defining property tax system needs. Our experience gives us extensive knowledge of all phases of the valuation and assessment processes—data collection, valuation, review, and appeal—and of the personnel, computing, and funding resources that are required.

During our careers, we have led or participated in dozens of performance evaluations. The evaluations ranged from small local jurisdictions to national property tax systems. The Canadian provinces and U.S. states and territories in which we have worked include Alabama, Alberta, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, the District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Massachusetts, Michigan, Minnesota, Mississippi, Manitoba, Montana, Nebraska, New Hampshire, New York, Nova Scotia, Oklahoma, Ontario, Oregon, Pennsylvania, Puerto Rico, Rhode Island, Saskatchewan, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming. We have helped design, implement, or evaluate property tax systems in Argentina, Armenia, Bahamas, Bermuda, Bosnia & Herzegovina, Bulgaria, China, Czech Republic, Egypt, Estonia, Iceland, Georgia, Kosovo, Latvia, Lithuania, Macedonia, Montenegro, Namibia, Poland, Russia, Rwanda, Slovak Republic, Slovenia, South Africa, Trinidad and Tobago, and the United Kingdom.

Ratio Studies and Equalization

The design and evaluation of ratio studies and provincial and state equalization programs are areas of specialty. We have experience with the ratio studies and equalization programs of Alberta, Arizona, Arkansas, Colorado, Connecticut, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Minnesota, Montana, Nebraska, New Hampshire, New York, Oklahoma, Oregon, Rhode Island, Saskatchewan, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia, and Wyoming.

Computer-Assisted Mass Appraisal (CAMA) Systems

Our work with computer-assisted mass appraisal (CAMA) systems includes:

- Hands-on experience in CAMA system development and mass appraisal model building. North American clients for whom we have built operational CAMA models include in the State of Arizona; Brevard County, Florida; the City of Calgary, Alberta; Cook County, Illinois; the City of Detroit, Michigan; the District of Columbia; Douglas County, Colorado; the City of Edmonton, Alberta; Jefferson County, Colorado; Johnson County, Kansas; Kent County, Delaware; Maricopa County (Phoenix), Arizona; the State of New York; Pima County (Tucson), Arizona; the Province of Ontario; Polk County, Iowa; Shelby County, Tennessee; Shawnee County, Kansas; the City of Superior, Wisconsin; Tulsa County, Oklahoma; the City of Two Rivers, Wisconsin; and the City of Winnipeg, Manitoba. Other countries in which we have built either pilot or operational models include Armenia; Egypt, Iceland; Kosovo; Macedonia, Montenegro; Namibia; Northern Ireland; and Trinidad and Tobago.
- Writing and training in CAMA model building. We have been fortunate to have had major responsibility for leading treatises on the subject of mass appraisal for property tax purposes, including the following publications of the International Association of Assessing Officers (IAAO): *Improving Real Property Assessment: A Reference Manual* (1978, we were coauthors), *Property Appraisal and Assessment Administration* (1990, we were technical editors and contributors, 1990); and *Mass Appraisal of Real Property* (1999, Mr. Gloudemans is the author). We have taught mass appraisal concepts and mass appraisal modeling using PC-based exercises for operational clients, IAAO, the Lincoln Institute of Land Policy, and the Organisation for Economic Co-operation and Development. In addition to exercises in Canada and USA, we have provided training in Armenia, Macedonia, Montenegro, Namibia, and Trinidad & Tobago.
- Evaluations of in-place CAMA systems. We have evaluated extant CAMA systems for the Municipality of Anchorage, Alaska; the State of Arizona; Boulder County, Colorado; Brevard County, Florida; the City of Calgary, Alberta; the Idaho Tax Commission; Cook County, Illinois; the District of Columbia; the City of Edmonton, Alberta; Fulton County, Georgia; the Town of Greenwich, Connecticut; Kent County, Delaware; the State of Massachusetts; New Castle County, Delaware; the City of Norfolk, Virginia; Oklahoma County, Oklahoma; the Province of Saskatchewan; Sedgwick County, Kansas; the City of St. Albert, Alberta; Solano County, California; Tulsa County, Oklahoma; the City of Virginia Beach, Virginia; the City of Winnipeg, Manitoba; Wyandotte County, Kansas; and the State of Wyoming, as well as systems in England, Iceland, and Cape Town, South Africa.
- Assistance with CAMA system procurement. This has included developing specifications, evaluating proposals, and monitoring implementation. Clients we have served in one or both of these capacities include the State of Alaska; Allegheny County (Pittsburgh), Pennsylvania; the Municipality of Anchorage, Alaska; the State of Arizona; the State of Connecticut; Cook County, Illinois; the District of Columbia; Dona Ana County, New Mexico; the City of Edmonton, Alberta; Erie County, Pennsylvania; the State of Massachusetts; Peoria County, Illinois; the City of Portsmouth, New Hampshire; Shelby County (Memphis), Tennessee; the State of West Virginia; and the City of Winnipeg, Manitoba. These evaluations included comparisons of system functional capabilities, provisions for staff training and system support, and cost.

Revaluation Project Requirements, Planning, and Oversight

We have extensive knowledge of all phases of the revaluation project process—ranging from determining the need for a revaluation through development of project specifications for data collection, valuation, review, and appeal. We also are experienced in estimating personnel, computing, and funding requirements.

We have helped the states of Connecticut, Oklahoma, and West Virginia develop plans for statewide revaluations. We reviewed a revaluation program in Saskatchewan and have helped the Province develop a quality assurance program. We have performed similar services for local governments, including Boston, Massachusetts; Brevard County, Florida; the District of Columbia; Edmonton, Alberta; Erie County, Pennsylvania; Lancaster County, Pennsylvania; Kent County, Delaware; New Castle County, Delaware; Peoria County, Illinois; Shelby County, Tennessee; and Virginia Beach, Virginia.

Strategic Planning

We believe successful efforts to improve property tax administration often require a strategic planning approach. Our strategic planning experience includes Cook County, Illinois; the City of Edmonton, Alberta; the Florida Department of Revenue; the Saskatchewan Assessment Management Agency; the City of Winnipeg, Manitoba; and the Republic of Armenia.

Writing

Project reports, requests for proposals (RFPs), manuals, and the like must be well organized and written if they are to communicate requirements clearly. As the discussion of our individual qualifications reveals, we have extensive experience in writing professional treatises, professional standards, technical specifications, and training and testing materials.

Teaching and Training

Our first-hand experience with teaching in property tax policy and administration, valuation, CAMA systems, ratio studies, and other subjects helps us anticipate the views and needs of property tax administrators. Mr. Gloude-mans has taught the following courses and workshops for the International Association of Assessing Officers: Fundamentals of Assessment Ratio Studies; 201, Land Valuation; 202, Advanced Income Approach; 301, Mass Appraisal of Residential Property; 302, Mass Appraisal of Income Property; 303, Computer Assisted Appraisal Systems; 305, Mass Appraisal Model Building; and 306, Advanced Mass Appraisal Modeling for Income Properties. He is a primary author of many IAAO instructor and student reference manuals. Mr. Gloude-mans has also taught University of British Columbia courses and courses in mass appraisal modeling building using SPSS to client jurisdictions. These clients include the cities of Boston, Calgary, Edmonton, and Winnipeg; Brevard and Orange counties, Florida; Cook County, Illinois; Johnson and Shawnee counties, Kansas; Jefferson and Summit counties, Colorado; Pierce and Snohomish counties, Washington; the Institute of Iowa Assessors; the states of Arizona, Florida, Kansas, and New York; and the provinces of Alberta, Nova Scotia, Ontario, and Saskatchewan. Mr. Almy teaches valuation and property taxation courses in Europe and Asia for the Organization for Economic Cooperation and Development, and he helped write the materials for these courses. Mr. Almy and Mr. Gloude-mans are members of the teaching faculty of the Lincoln Institute of Land Policy. Mr. Almy also has developed materials for IAAO Course 402, Property Tax Policy. We also have both group and individual tutorial teaching experiences in the areas of valuation model building, ratio studies, and introducing market value-based property tax systems.

Reputation for Competence and Objectivity

Evaluating property tax systems and developing solutions require competence, independence and objectivity. Different agencies and tiers of government have different priorities, and tensions among different parties are inherent in property tax administration. Even well informed professionals will disagree as to the nature of problems and as to solutions.

We think Almy, Gloudemans, Jacobs & Denne has established a reputation for competence, fairness, objectivity, and even-handedly representing differing perspectives, as our many long-term client relationships testify. We are not a revaluation contractor, and we do not sell CAMA software.

CLIENTS

Below we list chronologically our clients since the formation of Almy, Gloudemans & Jacobs in 1991 (with references when they are available):

- **International Association of Assessing Officers.** 1991-1992. Assist the Research and Technical Services Department conduct reviews of the Wyandotte County, Kansas, Appraiser's Office and the Sedgwick County, Kansas, Appraiser's Office. Develop a prototype manual for an ad valorem property tax in Poland.
- **Peoria County, Illinois, Supervisor of Assessments.** 1991. Conduct a needs analysis and develop an automation plan for the county's property assessment systems; assist in CAMA software selection.

Mr. Paul Chamberlain, Supervisor of Assessments, Peoria County, Courthouse, Room 301, 324 Main Street, Peoria, Illinois 61602; telephone: 1-309-672-6910.
- **Washington Attorney General's Office.** 1991-1992. Assistance with ratio studies and discrimination claims filed by the railroad and airline companies.

Mr. Cameron Comfort, Assistant Attorney General, 415 General Admin. Bldg, P.O. Box 40123, Olympia, Washington 9850; telephone: 1-360-664-7429.
- **Tennessee Office of the Attorney General.** 1991-1992 and 1996-1997. Consulting and expert witness assistance with railroad and airline litigation.

Mr. Tom Fleming, Assistant Comptroller for Assessments, Cordell Hull Bldg, Nashville, Tennessee 37243; telephone: 1-615-401-7777.
- **Iowa Department of Revenue.** 1991-1992. Expert witness assistance with ratio studies and railroad litigation.

Mr. Richard Stadley, Ratio Study Supervisor, Hoover Bldg, Des Moines, IA 50319. 1-515-281-4040.
- **Shelby County (Memphis), Tennessee, Assessor.** 1989-1993. Provide management assistance on reappraisal and implementation of a new CAMA system. Develop market and income models for apartment and commercial properties.

Shelby County Assessor, 160 North Mid America Mall, 4th Floor, Memphis, Tennessee 38103; telephone: 1-901-576-4202.
- **Cook County (Chicago), Illinois, Assessor.** 1990 to present. Assist the County Assessor develop a strategic plan. Provide ongoing implementation assistance in data needs analysis, mass appraisal modeling, communicating mass appraisal models using the base home approach, computerization generally, and policy initiatives. Evaluate the state's ratio studies. Provide training and assistance in valuing commercial and industrial properties.

Ms Margie Cusack, Chief of Assessment Operations (1990-2010), mmc10324@gmail.com.

- **Washtenaw County, Michigan, Equalization Department.** 1992, 2002, 2003. Provide training and mentoring in the use of statistical software for equalization studies.

Mr. Ramon Patel, Equalization Director, Washtenaw County, P.O. Box 8645, Ann Arbor, Michigan 48107.
- **Illinois Property Assessment Institute.** 1992. Write materials for a revised and expanded basic course (B-100), incorporating the duties of assessment personnel and reflecting IAAO's *Property Appraisal and Assessment Administration*.

Mr. Michael W. Ireland, Executive Director, Illinois Property Assessment Institute, 200 West Front Street, Bloomington, Illinois 61701; telephone: 1-309-828-6016.
- **Florida Department of Revenue, Ad Valorem Tax Division.** 1992 to present. Review the in-depth (appraisal ratio) study process for monitoring county assessment performance and develop an alternative sales ratio methodology, based on supporting independent sales ratio studies. Provide ongoing implementation assistance. Develop a procedures audit manual. Study changes in price levels of residential properties and vacant land in the 67 counties of the state.

Mr. Joel Schubert, Director of Aid and Assistance, Florida Department of Revenue, 325 John Knox Road, Building K, Tallahassee, Florida 32303; telephone: 1-850-922-7972.
- **Saskatchewan Assessment Management Agency and the Cities of Moose Jaw, Prince Albert, Regina, and Saskatoon.** 1992. Conduct a comprehensive evaluation of the reassessment program in process, including its conformity with accepted principles, the status of its implementation, the accuracy of values through sales ratio studies, taxation issues to control tax shifts, and future enhancements to the appraisal system.

Mr. Brad Korbo, Director of Assessment Services, Saskatchewan Assessment Management Agency, 2201 11th Avenue, Suite 200, Regina, Saskatchewan S4P 0J8, Canada; telephone: 1-306-924-8017.
- **Jackson & Kelly.** 1992-1993. Assist with resolution of a reappraisal contract dispute.

Mr. Blane Michael, Jackson & Kelly, Attorneys at Law, P.O. Box 553, Charleston, West Virginia 25322; telephone: 1-304-340-1000.
- **Organization for Economic Cooperation and Development.** 1992 to present. Develop training materials and provide training in valuation and property taxation to officials from ex-communist countries in training centers in Ankara, Beijing, Budapest, Copenhagen, Petrozavodsk, Tallinn, Vienna, and Vilnius. Provide technical assistance and training in Bulgaria, the Czech Republic, Estonia, Latvia, Lithuania, the Slovak Republic, and Slovenia.

Jeffrey Owens, Head, Center on Tax Policy and Administration, Organization for Economic Cooperation and Development, 2, rue André Pascal, 75775 Paris Cedex 16, France; telephone: +33 1 45 24 9108.
- **Kent County, Delaware, Board of Assessment.** 1993. Review assessment standards and operations and develop a reassessment plan, including enhancement of CAMA system and training of appraisal staff.

Mr. Thomas M. Golder, Secretary, Kent County Board of Assessment, 414 Federal Street, Dover, Delaware 19901; telephone: 1-302-736-2150.

- **City of Portsmouth, New Hampshire.** 1993. Evaluate proposals for a revaluation and installation of a CAMA system.
- **International City/County Management Association.** 1993-1998 & 2001-2002. Provide technical assistance and training in property taxation, valuation, computer-assisted mass appraisal, and cadastral record systems in the Republic of Armenia and the Republic of Montenegro.
- **Massachusetts Department of Revenue, Division of Local Services.** 1993. Evaluate the state's PC-based computer-assisted mass appraisal system and implementation program.

Ms Marilyn Browne, Chief, Bureau of Local Assessment, P.O. Box 9490, Boston, Massachusetts 02205-9490; telephone: 1-617-727-2300.

- **Henry County, Georgia.** 1993-94. Expert witness assistance in an assessment discrimination claim.

Mr. Ernest D. Blount, Blount & Cash, P.O. Box 427, Stockbridge, Georgia 30281. 1-404-474-2085.

- **Johnson County, Kansas, Appraiser.** 1993 to 1998; 2001-2002. Assist with sales ratio software development and valuation modeling and training.

Mr. Paul A. Welcome, Appraiser, Johnson County, 111 South Cherry Street, 2nd Floor, Olathe, Kansas 66061-3441; telephone: 1-913-715-0001. Ms. Darla Frank, Residential Manager, 1-913-715-0041. Ms. Antonia Viens, Commercial Manager, 1-913-715-0007.

- **Brevard County, Florida, Property Appraiser.** 1993 to 2000. Assist with CAMA system design and valuation modeling.

Mr. Lance Larsen, Chief Deputy, Brevard County, County Courthouse, 5th Floor, Titusville, Florida 32781; telephone: 1-407-321-264-6702.

- **New Castle County, Delaware, Assessment Division.** 1994-1995. Review current assessment practices and develop a reassessment plan incorporating a state-of-the-art CAMA system.

Assessment Division, New Castle County, 800 N. French Street, Wilmington, Delaware 19801; telephone: 1-302-571-7598.

- **Deloitte & Touche.** 1994. As a subcontractor, assist in an evaluation of the assessment appeals process in the City of Winnipeg, Manitoba.

Mr. Jean-Paul Gobel, Partner, Deloitte & Touche, 360 Main Street, Suite 2200, Winnipeg, Manitoba R3C 3Z3; telephone: 1-204-942-0051.

- **Connecticut Office of Policy and Management.** 1994 and 1997. Develop a request for proposals (RFP) for a CAMA system and a statewide revaluation. Develop performance-based testing standards for municipal revaluations.

Office of Policy and Management, P.O. Box 341441, 450 Capitol Avenue, Hartford, Connecticut 06134-1441; telephone: 1-860-418-6231.

- **City of Winnipeg, Manitoba, Assessment Department.** 1994 to 2005. Help develop a CAMA system RFP, help select a vendor, help with planning and carrying out revaluation activities, and assist in value defense. Provide modeling training and assistance in developing vacant land and commercial models.

Mike San Filippo, Chief Modeler, City of Winnipeg, 65 Garry Street, 3rd Floor, Winnipeg, Manitoba R3C 4K4; telephone: 204-986-6120.

- **Nebraska Department of Revenue.** 1994. Evaluate sales ratio study performance standards and procedures of the Nebraska State Board of Equalization and Assessment and recommend improvements.

Mr. Dennis Donner, Nebraska Department of Property Assessment and Taxation, 1033 "O" Street, Suite 600, Lincoln, Nebraska 68508; telephone: 1-402-471-5986.

- **New York State Division of Equalization and Assessment.** 1994. Provide consultation and testimony in State Board hearings.

- **Kentucky Revenue Cabinet.** 1994-1995. Evaluate certification and equalization process of the Department of Property Taxation and recommend improvements. Evaluate county property valuation administrator salaries and staffing. Provide expert witness assistance in a cable TV case.

Jim Livers, Deputy Secretary, Kentucky Revenue Cabinet, 200 Fair Oaks Lane, Frankfort, Kentucky 40620; telephone: 1-502-564-7824.

- **Indiana Civil Liberties Union.** 1994-1995. Assist with a challenge of the constitutionality of Indiana's "true tax value" standard of valuation.

Thomas Atherton, Esq., Bose, McKinney & Evans, LLP., 2700 First Indiana Plaza, 135 North Pennsylvania Street, Indianapolis, Indiana 46204; telephone: 1-317-684-5000.

- **Oregon Department of Revenue.** 1994-1996, 2000. Assist with litigation and ratio studies.

Ms Marilyn Harbor, Attorney, Oregon Department of Justice, 1162 Court Street NE, Salem, Oregon 97310; telephone: 1-503-278-4620.

Mr. Douglas Adair, Attorney, Oregon Department of Justice, 1162 Court Street NE, Salem, Oregon 97310; telephone: 1-503-378-6060.

- **West Virginia Department of Tax and Revenue.** 1994 to 2001. Assist with litigation, ratio studies, and other statistical matters.

Ms Katherine Schultz, Senior Deputy Attorney General, 1900 Kanawha Blvd E, State Capitol. Room W435, Charleston, West Virginia 25305; telephone: 1-304-558-2522.

Mr. Jerry Knight, Director, Property Tax Division, West Virginia Department of Tax and Revenue, 1124 Smith Street, Greenbrooke Bldg, Charleston, West Virginia 25328; telephone: 1-304-558-8556.

- **Douglas County, Colorado.** 1995-1999. Training and assistance with modeling and time trends.

Ms Nicki Hoy, Douglas County Assessor, 100 Third Street, Castle Rock, Colorado 80104; telephone: 1-303-660-7355. Lisa Frizzel, Chief Deputy, telephone 1-303-660-7441.
- **Minnesota Department of Revenue.** 1995. Review sales ratio study program.

Mr. Leonard F. Peterson, Supervisor, Sales Ratio Unit, Property Tax Division, Minnesota Department of Revenue, 10 River Park Plaza, St. Paul, Minnesota 55146-3340; telephone: 1-612-297-2166.
- **Lancaster County, Pennsylvania, Board of Assessment Appeals.** 1995. Review reappraisal.

Mr. Phil Rainey, Jr., Director of Assessments, Lancaster County, 50 North Duke Street, Lancaster, Pennsylvania 17608-3480; telephone: 1-717-299-8381.
- **Town of Greenwich, Connecticut, Board of Estimate and Taxation.** 1995 and 1998. Review assessment and collection functions. Assist with litigation.

Mr. Robert Morgan, Comptroller, Town of Greenwich, Town Hall, 101 Fieldpoint Road, Greenwich, Connecticut 06830; telephone: 1-203-662-7720.
- **Republic of Trinidad and Tobago.** 1995-1996. Almy, Gloudemans & Jacobs, as a member of a joint venture, helped design and test a system of property taxation based on improved capital (market) value.
- **E. Jeannie Navarro & Associates.** 1995-2002. Assistance with equalization cases and issues.

E. Jeannie Navarro, 1410 W. 6th Street, Austin, Texas 78702; phone: 512-477-6255.
- **Kavoussi & Associates.** 1995-2002. Assistance with equalization cases and issues.

Rastam Kavoussi, President, Kavoussi & Associates, Tenth Floor - Tower Life Bldg, San Antonio, Texas 78205; telephone: 1-210-225-6410.
- **National Economic Research Associates, Inc.** 1995-1998. Provide on-site technical direction and assistance under contract with the National Economic Research Associates, Inc. (NERA), in conjunction with the *Center for Financial Engineering in Development* (CFED), the *Urban Institute*, and *Georgia State University* in market value-based property tax system development and demonstration projects for the Russian Federation in multiple cities (principally Novgorod and Tver) and later in the Novgorod oblast.
- **State of Rhode Island.** 1996 and 2000-2001. Review assessment practices in the state. Make recommendations for ratio studies and equalization.

Mr. James Savage, Supervisor, Tax Equalization Section, Office of Municipal Affairs, Department of Administration, One Capitol Hill, Providence, Rhode Island 02908; telephone: 1-401-222-2885.
- **Public Service Company of New Hampshire.** 1996-1997. Assistance with assessment issues in litigation.

Mr. Leonard Gerzon, Public Service Company of New Hampshire, 1000 Elm Street, P.O. Box 330, Manchester, New Hampshire 03195; telephone: 1-603-634-2435.

- **Washington Department of Revenue.** 1996. Develop and conduct a one-day seminar on self-evaluation of assessment practices.

Mr. William N. Rice, Assistant Director, Department of Revenue, Property Tax Division, P.O. Box 47471, 6004 Capitol Boulevard, Olympia, Washington 98504-7471; telephone: 1-360-753-5503.

- **SPSS, Inc.** 1996 and 2005. Develop “white papers” on “More Defensible Values with Statistics.” and “Property Valuation with SPSS.”

Mr. Michael Casey, State and Local Governments Accounts Manager, SPSS, Inc., 233 South Wacker, 11th Floor, Chicago, Illinois 60606-6307; telephone: 1-313-665-3301.

- **Government of Bermuda, Ministry of Finance.** 1996-1997. Review property tax system.

Mr. Peter Hardy, Financial Secretary, Ministry of Finance, 30 Parliament Street, Hamilton HM 12, Bermuda; telephone: 1-441-295-5151.

- **Mississippi State Tax Commission.** 1996-2000. Assist with ratio study design and litigation.

Mr. Robert Megginson, Director, Property Tax Bureau, Mississippi State Tax Commission, P.O. Box 960, Jackson, Mississippi 39205; telephone: 1-601-923-7636.

- **Hernando County, Florida.** 1997. Expert witness assistance in an assessment equalization suit.

Mr. Gaylord Wood, Wood & Stuart, 304 SW 12th Street, Ft. Lauderdale, Florida 3315; telephone: 1-954-463-4040.

- **New York State Office of Real Property Services.** 1996 to present. Review equalization procedures and provide litigation assistance. Study methods for developing trends in real property values. Provide training and assistance in valuation model building. Work with stakeholders.

New York State Office of Real Property Services, 16 Sheridan Avenue, Albany, New York 12210-2714; telephone: 1-518-474-5711.

- **Alberta Municipal Affairs, Assessment Services Branch.** 1997 to 2006. Evaluate the preparedness of the Cities of Calgary and Edmonton to produce high quality mass appraisal reassessments in 1998 for taxation in 1999. Review audit and equalization process and assist with implementation of our recommendations, including drafting audit manuals and presenting recommendations to stakeholders. Review a draft assessment manual for the Assessment Valuation Steering Committee. Conduct valuation-modeling workshops. Assist in defense of appeals of equalization procedures. Review of detailed (performance) audit program.

Mr. Steve White, Executive Director, Assessment Services Branch, Alberta Municipal Affairs, 15th Floor, Commerce Place, 10155 102 Street, Edmonton, Alberta, T5J 4L4; telephone: 1-780-422-1377.

- **Saskatchewan Assessment Management Agency.** 1996-1998. Help develop a quality assurance program for a province-wide reappraisal, including training in computer-assisted mass appraisal.

Mr. Brad Korbo, Director of Assessment Services, Saskatchewan Assessment Management Agency, 2201 11th Avenue, Suite 200, Regina, Saskatchewan S4P 0J8, Canada; telephone: 1-306-924-8017.
- **Jefferson County, Colorado.** 1996 to present. CAMA systems design, modeling, time trend analysis, and training.

Ms Sue Sterrett, Residential Coordinator, 100 Jefferson County Parkway, Golden, Colorado 80429; telephone: 1-303-271-8610.
- **Municipal Property Assessment Corporation.** 1996 to present. Provide modeling training and revaluation assistance; assist with CAMA system redesign and enhancements. Assist with mass appraisal modeling.

Mr. Larry Hummel, Vice President, Municipal Property Assessment Corporation, 1305 Pickering Parkway, Pickering, Ontario L1V 3P2; telephone: 1-905-433-5717. Mr. Brian Guerin, CAMA Manager, telephone: 1-905-837-6203.
- **Arizona Department of Revenue, Property Valuation and Equalization Division.** 1997 to present. Provide training and assist with CAMA systems design and valuation modeling.

Frank Boucek, Deputy Director for Property Valuation, Arizona Department of Revenue, 1600 W. Monroe, Phoenix, Arizona; telephone: 1-602-716-6807; Mr. Steve Barney, Supervisor of Locally Assessed Property, telephone: 1-602-716-6863.
- **City of Edmonton, Alberta.** 1997 to present. Annual revaluation assistance including planning, staffing, training, mass appraisal model building, evaluation of computer system requirements, and evaluation of staffing needs.

Mr. Rod Risling, City Assessor, City of Edmonton, Chancery Hall, 3 Sir Winton Churchill Square, Edmonton, Alberta T5J 2C3; telephone: 1-780-496-5001. Helmut Mueller, Commercial Manager; 780-496.5045.
- **Oklahoma Tax Commission.** 1997-2001. Review equalization and performance audit procedures. Assist with making improvements in procedures. Present report on personal property ratio studies.

Mr. Jeffrey Spelman, Director, Ad Valorem Division, Oklahoma Tax Commission, 2501 Lincoln Boulevard, Oklahoma City, Oklahoma 73194; telephone: 1-405-521-3178.
- **David M. Griffiths & Associates, Ltd.** 1997. Develop a prototype organizational design for the Centro de Recaudaciones de Ingresos Municipales (CRIM) of the Commonwealth of Puerto Rico.

Mr. John Johns, Senior Manager, David M. Griffiths & Associates, Ltd., 1633 Bayshore Highway, Suite 380, Burlingame, California 94010-1515; telephone: 1-650-259-1200.
- **Institute of Iowa Certified Assessors.** 1997. Present an SPSS Modeling Workshop.

Mr. Dave Ellis, Calhoun County Assessor, Rockwell, Iowa; telephone: 1-712-297-7500.

- **City of St. Albert, Alberta.** 1997. Review and recommendations re CAMA system.

Kathy Williams, City Assessor, 5 St. Ann Street, St. Albert, Alberta T8N 3Z9; telephone: 1-403-460-2394.
- **Pierce County, Washington.** 1997. Litigation assistance in an assessment appeal case.

Mr. William Bergsten, McGavick Graves, Attorneys at Law, P.O. Box 1317, Tacoma, Washington 98401-1317; telephone: 1-263-627-1181.
- **Pima County, Arizona.** 1997 to present. Develop residential, condominium, and exploratory vacant land and multi-family models. Provide related staff training and assist with CAMA system design.

Mr. William (Bill) Staples, Assessor, 115 N. Church Ave., Tucson, Arizona 85701; telephone: 1-520-792-8079.
- **Barents Group.** 1997. Assist with fiscal and tax reform project in the Republic of Georgia.
- **Assessment Department, City of Calgary, Alberta.** 1997 to present. Assist with valuation modeling and provide related mentoring and training. Develop case problems to test competencies in valuation, ratio studies, and assessment administration.

Mr. Stuart Dalglish, City Assessor, Assessment Department, City of Calgary, P.O. Box 2100, Postal Station M, Calgary, Alberta T2P 2M5; telephone: 1-403-268-4430. Mr. Scot McAlpine, CAMA Director, 403-268-5627.
- **Orange County Florida, Property Appraiser's Office.** 1994, 1998. Provide training and assist with litigation concerning a computer-assisted mass appraisal system.

Ms Becky Vose, Vose & Blau, Attorneys at Law, 2705 W. Fairbanks Avenue, Winter Park, Florida 32789; telephone: 1-403-645-3735.
- **Nova Scotia Department of Municipal Affairs.** 1998-1999; 2004. Conduct workshops on mass appraisal and SPSS model building. Provide litigation assistance.

Ms. Kathy Gillis, Property Tax Director, 1601 Lower Water Street, PO Box 216, Halifax, Nova Scotia B3J 2M4, telephone: 1-902-424-5671. Mr. Todd Gratto, Reassessment Coordinator telephone: 1-902-893-5810.
- **Vermont Division of Property Valuation and Review.** 1998 to 2002. Evaluate equalization procedures. Assist with litigation.

Ms Theresa Knight, Chief of Operations, Vermont Division of Property Valuation and Review, 109 State Street, Montpelier, Vermont 05609; telephone: 1-802-828-5860.
- **International Access Corporation / International Land Systems, Inc.** 1999. Assessment of the current system of property taxation in the Commonwealth of the Bahamas in conjunction with the development of the Bahamas National Geographic Information System.

Mr. Peter Rabley, President, International Land Systems, Inc., 9525 Georgia Avenue, Suite 205, Silver Spring, Maryland 20910-1439; telephone: 1 301 587 7531.

- **Erie County, Pennsylvania.** 1999. Assist in carrying out a court-ordered revaluation.
- **City of Two Rivers, Wisconsin.** 1999. Develop citywide residential model and interface with the city's CAMA system.
- **New Hampshire Equalization Coalition.** 1999-2000. Assist a coalition of New Hampshire municipalities prepare for litigation challenging the State of New Hampshire's equalization procedures and practices.
- **Wyoming Department of Revenue.** 1999. Evaluate the state's existing CAMA systems.

Jim Felton, Supervisor, Locally Assessed Property, Ad Valorem Tax Division, Wyoming Department of Revenue, Herschler Building, 2 West 122 West 25th Street, Cheyenne, Wyoming 82002-0110; telephone: 1-307-777-5335.
- **Wells Fargo Bank.** 1999 to 2000. Assess accuracy of appraised values of commercial and industrial property in selected large local assessment jurisdictions.
- **American Civil Liberties Union.** 1999-2000. Assist in a challenge to a county's assessment practices, under which the county had not had a reassessment since 1938.

William D. Siegel, Siegel, Fenchel & Peddy, P.C., 400 Garden City Plaza, Suite 100, Garden City, New York 11530; telephone: 1-516-294-8880.
- **International Association of Assessing Officers.** 2000 to 2003. Summarize the responses to the 1999 survey of state and provincial property tax policies and administrative practices. Revise *Assessment Practices: Self-Evaluation Guide*, and write materials on property tax policy and administration, including quality assurance.

Ms Lisa Daniels, Executive Director, IAAO, 314 West 10th Street, Kansas City, Missouri 64105; telephone 1 816 701 8100.
- **District of Columbia, Office of Real Property Taxes.** 2000 to present. Develop residential, condominium, and exploratory apartment and commercial models. Provide related mentoring and training. Develop SPSS sales ratio software and assist with assessment equity analysis.

Mr. David Fitzgibbon, Director, Real Property Tax Administration, 941 N. Capitol Street, NE, Washington, DC 20002; telephone: 202-442-6760.
- **Idaho State Tax Commission.** 2000. Make a performance evaluation of the Commission's property tax functions, including general supervision, ratio studies and equalization, computing and mapping support to counties, and central assessment of railroads and utilities.

Mr. Gregory Cade, Idaho State Tax Commission, P.O. Box 36, 800 Park Boulevard, Plaza IV, Boise, Idaho 83722-0036, Telephone: 1-208-334-3362.
- **Douglas County, Nebraska.** 2000. Assistance with time trending and equalization.

Mr. Len Buckwalter, Chief Deputy Assessor, Omaha-Douglas Civic Center, 1819 Farnam Street, Omaha, Nebraska; telephone: 1-402-444-6742.

- **El Paso Central Appraisal District.** 2000. Assistance with commercial appeals and assessment discrimination claims.

Mr. Joseph Longoria, Perdue, Brandon, Fielder, Collins & Mott, 2600 Citadel Plaza Dr., Suite 500, Houston, Texas 77008; telephone: 1-713-862-1860.

- **Republic of Slovenia, Ministry of Finance.** 2000-2004. Assist in the development of a modern real estate tax and valuation system as part of a World Bank financed real estate registration modernization project.

Ms Neva Žibrik, Head of the Subproject E, Real Estate Tax and Valuation Development, Department for Taxes and Customs, Čupančičeva 3, 1502 Ljubljana, Slovenia; telephone: 386-61-178-5281.

- **Lincoln Institute of Land Policy.** 2000 to present. Conduct research into land models and commercial property valuation; assist in valuation seminars and study tour programs, including programs for the Balkan region, the Czech Republic, Estonia, Latvia, Lithuania, the Russian Federation, Slovenia, and the Ukraine.

Mrs. Jane Malme, Fellow, or Ms Joan Youngman, Senior Fellow, Lincoln Institute of Land Policy, 113 Brattle Street, Cambridge, Massachusetts 02138-3400, telephone: 1-617-661-3016.

- **Maricopa County (Phoenix), Arizona.** 2001, 2005-2006, 2008. Assistance with modeling vacant and improved residential and multi-family properties.

Mr. Uwe Hohoff, CAMA Director, Maricopa County Assessor's Office, 301 W. Jefferson, Suite 330, Phoenix, Arizona 85003; telephone: 1-602-372-1797.

- **Real Estate Tax Consultants, Inc.** 2001 to 2007. Assist with ratio studies and revaluation performance analysis in Allegheny, Fayette, and Lawrence counties in Pennsylvania.

Mr. Wayne Biernacki, President, Real Estate Tax Consultants, Inc., 2600 Boyce Plaza Road, Suite 100, Pittsburgh, Pennsylvania 15241-3949; telephone: 1-412-257-7878.

- **Community Justice Project & the Law Firm of Ira Weiss.** 2001 to present. Assistance with reappraisal standards and procedures and an analysis of assessment equity in low-value neighborhoods; litigation assistance with equity issues surrounding the law on reappraisal cycles.

Mr. Don Driscoll, Attorney, Community Justice Project, 1705 Allegheny Bldg, 425 Forbes Avenue, Pittsburgh, Pennsylvania 15219; telephone: 1-412-434-6012.

- **CONSAD Research Corporation, Pittsburgh, Pennsylvania.** 2001. Assist with a review of the 2001 Allegheny County Reappraisal.

Mr. Alex Botkin, Research Director, CONSAD, 121 North Highland Avenue, Pittsburgh 15206; telephone: 1-412-434-6012.

- **Shawnee County (Topeka), Kansas.** 2001. Modeling assistance.

Mr. Mark Hixon, Shawnee Co Appraiser, 1515 NW Saline, Topeka, KS 66618; telephone: 1-785-233-6001.
- **Arlington County, Virginia.** 2001-2003. Litigation assistance involving an anchor department store. Assistance with time trends and assessment performance analysis.

Mr. Tommy Rice, Director of Real Estate Assessments, #1 Courthouse Plaza, 2100 Clarendon Blvd, Suite 611, Arlington, Virginia 22201; telephone: 1-703-228-3920.
- **Pierce County (Tacoma), Washington.** 2001- 2005. Provide modeling planning and training and help develop condominium, vacant land, apartment, and commercial models.

Ron Dawes, CAMA Modeler, Pierce County Assessor's Office, 2401 South 35th Street. Room 142, Tacoma, Washington 98409-7498; telephone: 1-253-798-3692.
- **Farranta Consulting Limited.** 2001-2002. Assist in a study of the feasibility of CAMA modeling for second-tier municipalities in Alberta.

Mr. Angus MacKay, 11821 74th Ave, Edmonton, Alberta T6G 0G5; telephone: 1-780-433-5052.
- **Barents Group of KPMG Consulting, Inc.** 2001 to 2002. Assist with installation of new property tax system in Kosovo.
- **Municipality of Anchorage, Alaska.** 2002 and 2009. Evaluate in-place computer-assisted mass appraisal system and recommend strategies for addressing deficiencies; assist with the development of a request for proposals for assessment and taxation software.

Mr. Don M. (Marty) McGee, Assessor, Municipality of Anchorage, 632 West 6th Avenue, Anchorage, Alaska 99501; telephone: 1 907 343 9897; McGeeDM@ci.anchorage.ak.us.
- **ARD, Inc.** 2002-2004 & 2008. Assist with the introduction of a broad-based real property tax in the Republic of Rwanda as part of a USAID-funded fiscal decentralization initiative. Help design procedures and forms, assist with training and organizational development, and advise on legislation. Help with the implementation of a locally administered real property tax in the Republic of Macedonia.
- **Center of Excellence in Finance, Ljubljana, Slovenia.** 2002 and 2005. Participate in seminar on property tax reform for officials from Balkan countries.

Ms Mira Dobovišek, Director, Center of Excellence in Finance, Cankarjeva 18, 1000 Ljubljana, Slovenia; telephone: 386 1 4766 440; mira.dobovisek@cef-see.org.
- **Minard Hulse, Attorney at Law.** 2002-2004. Provide expert opinion in challenge of the apportionment of the estimated market value of real property in a school district that spans several assessment districts.

Mr. Minard E. Hulse, Jr., Attorney at Law, 195 North Harbor Drive, Suite 4303, Chicago, Illinois 60601; telephone: 1 312 540 9393; mhulse@msn.com.

- **City of Saskatoon, Saskatchewan.** 2002. Provide assistance with implementing MRA for residential properties.

Mr. Les Smith, Assessor, 222 3d Avenue, Saskatoon, SK, Canada S4P 3C8; 1-306-975-3223.

- **Strategica.** 2002. Provide consulting assistance for a review of the office of the Assessor-Recorder on behalf of the Solano County (California) Board of Supervisors, with responsibility for evaluating property tax assessment resources and procedures, plans for the development of a geographic information system, and the in-house information technology system used to support the Assessor-Recorder, Auditor-Controller, and Treasurer-Tax Collector.

Mr. David Howe, President, Strategica, Inc. 24539 SE 39th Place, Issaquah, WA 98029, telephone: 1-425 427-5269

- **BearingPoint.** 2002-2004. Provide statistical expertise in the evaluation of a claim of racial discrimination in the assessments of a town in New York. Develop a valuation model and write custom software for the Kosovo Housing and Property Directorate to implement it as part of a program to provide compensation or reparations to displaced persons and other victims of discrimination.

- **City of Regina, Saskatchewan.** 2002-2005. Provide assistance with implementing MRA for residential properties.

Mr. Donald Barr, Assessor, P.O. Box 1790, Regina, SK, Canada S4P 3C8; 1-306-777-7245.

- **Metropolitan Mayors' Caucus.** 2003. Assist in study of commercial property valuation in Cook County (Chicago), Illinois.

Richard F. Dye, PhD., Professor of Economics, Lake Forest College, 555 North Sheridan Road, Lake Forest, Illinois 6004; telephone: 847 735 5131.

- **Indiana Fiscal Policy Institute.** 2003 to 2005. Provide statistical and technical support in a ratio study of the 2002 reassessment, which was the first in the State of Indiana on a market value basis.

- **The Urban Institute.** 2003 to 2005. Provide advice and training in valuation for property tax purposes in a USAID-sponsored Good Local Governance project in the Republic of Montenegro.

Mr. Peter Epstein, The Urban Institute, 2100 M Street, N.W., Washington, DC 20037; telephone: 202 833 7200; pepstein@ui.urban.org.

- **Nebraska Department of Property Assessment & Taxation.** 2003. Review property tax equalization procedures in the state as part of a settlement of a suit by several school districts challenging the equalization program.

Property Tax Administrator, Department of Property Assessment & Taxation, 1033 "O" Street, Suite 600, Lincoln, Nebraska, 68508-3686; telephone: 1-402-471-5919.

- **City of Boston, Massachusetts, Assessment Department.** 2003. Provide training and assistance in mass appraisal model building.

Mr. Ron Rakow, Assessment Commissioner, City of Boston, City Hall, Boston, MA 02201. 617-635-4264.

- **Property Assessment Review, St. Louis, Missouri.** 2003-present. Conduct commercial ratio studies and provide expert witness assistance.

Mr. Steve Weber, Valuation Director, Property Assessment Review, 4661 Maryland Avenue, St. Louis, MO 63108. 314-361-4600.

- **Mojave County, Arizona, Assessor's Office.** 2003. Assist in time-share litigation.

Mr. Ron Nickelson, County Assessor, 315 Oak Street, Kingman, AZ 86402. 623-753-0703.

- **Mendez England & Associates.** 2004. Provide advice and training in valuation for property tax purposes in a USAID-sponsored, Development Alternatives, Inc.-managed decentralization project in the Republic of Macedonia.

- **CDC, Ltd.** 2004-2006. Assistance with neighborhood delineation procedures and modeling training.

Mr. Ian Lamont, Senior Consultant, CDC, Ltd., Innovation Centre, Science Research Park, Cromore Road, Coleraine, Northern Ireland BT52 1XE, United Kingdom. +44 28 70 280032.

- **Northern Ireland Valuation and Lands Agency.** 2004 to 2006. Provide training, valuation mentoring, model review, and related revaluation advice and assistance in a provincial revaluation.

David Rainey, Assistant Valuation Commissioner, or Paul McGuckin, Revaluation Manager, Valuation Lands Agency, 56-66 Upper Queen Street, Belfast, Northern Ireland BT9 5GA. +44 28 9054 33927

- **Sharek Logan Collingwood van Leenen LLP, Barristers and Solicitors.** 2004 to 2006. Provide expert assistance in an appeal of the 2004 equalized assessment by Alberta Municipal Affairs.

Mr. Gord Sharek, Sharek Logan Collingwood van Leenen LLP, Barristers and Solicitors, 701, 10060 Jasper Avenue, Edmonton, Alberta, T5J 3R8; telephone: 780 413 3154.

- **Arkansas Assessment Coordination Department.** 2004-2005. Review and make recommendations for ratio studies and provide related software and users manual. Assist in preparation of CAMA systems specifications. Prepare a review of field audit operations and related recommendations.

Ms Debbie Asbury, Director, Arkansas Assessment Coordination Department, 1614 West Third Street, Little Rock, Arkansas 72201-1815.

- **Valuation Office Agency, England and Wales.** 2004. Review CAMA methodologies.

Mike Brankin, Valuation Director. New Court, 48 Carey Street, London WC2A 2JE, England; telephone: +44 20 7530 7200. mike.h.brankin@voa.gsi.gov.uk.

- **Allegheny County, Pennsylvania.** 2005. Ratio study and reappraisal review.

Jim Flynn, Finance Director, or Tim Johnson, IT Dir., 436 Grant Street, Pittsburgh, PA 15219. 412-350-3256.

- **No-Mon-Nee Agricultural Partners.** 2005. Analyze the validity of an equalization study.

Paul A. or Mark A. Boivin, partners, 6286 Goodrich Cor Rd. Addison, VT 05491-9920. 802-475-2494.
- **Orange County (Orlando), Florida.** 2005. Develop a pilot residential model and conduct CAMA modeling workshop.

Mr. Manish Bhatt, IT Director, Office of the Property Appraiser, 200 S. Orange Street, Orlando, FL 32801. Telephone: 407-836-5021.
- **City of Superior, Wisconsin.** 2005. Develop vacant and improved residential models and interface with CAMA system.

Mr. Brad Theien, City Assessor, 1316 N. 14th Street, Superior, WI 54880. Telephone: 715-395-7221.
- **Village League to Save Incline Assets.** 2005. Provide advice in administrative proceedings concerning the methods used to value land in Incline Village (Lake Tahoe), Nevada.

Mr. Todd A. Lowe, 77 Shoreline Circle, Incline Village, Nevada 89451; telephone: 775 831 0430.
- **Pierce Atwood LLP.** 2005. Provide advice regarding methods used to value land near the Atlantic Ocean in Yarmouth, Maine.

Mr. Michael S. Wilson, Pierce Atwood LLP, One Monument Square, Portland, Maine 04101; telephone: 207 791 1150
- **Fulton County, Georgia, Board of Assessors.** 2006 to present. Analysis of Fulton County Board of Assessors property tax system and mentoring in mass appraisal modeling.

Mr. Burt Manning, Chief Appraiser, Fulton County Board of Assessors, Fulton County Government Center, 141 Pryor Street, S.W., Suite 2052, Atlanta, Georgia 30303; telephone: 404 730 6434.
- **Hamilton County, Indiana.** 2006 to present. Assist county assessor with an annual ratio study to test the success of applying trending factors and to test for sales chasing.

Ms Debbie Folkerts, County Assessor, Hamilton County, 33 North 9th Street, Noblesville, Indiana 46060; telephone: (317) 776-9668
- **West End Neighborhood Taxpayers (WENT).** 2006- Help a taxpayers group address inter-neighborhood assessment inequities.

Ms Hala Makowska, 23 Allapartus Road, Ossining, New York 10562; telephone: 914 432 8868
- **Baker & Daniels LLP.** 2006 to present. Assist in an appeal involving a discriminatory assessment of a shopping center.

Mr. Stephen Paul, Attorney at Law, Baker & Daniels, LLP, 300 North Meridian Street, Suite 2700, Indianapolis, Indiana 46204; telephone: 317 237 1174.

- **Coalition for Excellence in Schools.** 2006. Expert witness assistance with ratio studies and equalization funding.

Audrey McIntosh, Attorney at Law, 612 East Capitol Avenue, Jefferson City, MO 65102. Telephone: 573 635 7838.
- **Saskatchewan Assessment Management Agency.** 2006-2007. Provide assistance with modeling smaller municipalities and assessment quality control.

Mr. Brad Korbo, Saskatchewan Assessment Management Agency, 200-2201 11th Avenue, Regina, Saskatchewan, Canada S4P 0J8. Telephone: 306 924 8070
- **Neill, Terrill & Embree, L C.** 2006-present. Commercial sales ratio study and related assistance.

Mr. Wayne Tenenbaum, 4707 W. 135th Street, Suite 240, Leawood, KS 66224; telephone: 913 814 8900.
- **International Land Systems, Inc.** 2006-2007. Assess the property tax system in the Commonwealth of the Bahamas and prepare a report on land policy and administration issues.

Mr. Peter Rabley, President, International Land Systems, Inc., 8401 Colesville Road, Suite 630, Silver Spring, Maryland 20910-3312; telephone: 1 301 587 7531. Jeffrey Euwema, Chief of Party; telephone: 242 466 3476.
- **William H. Wendt.** 2007 to present. Provide statistical analyses of local assessment equity, test for ancillary issues such as sales chasing, and advise on procedural and policy issues related to equalization and assessment performance monitoring.

William H. Wendt, 1922 Lake Shore Drive, Michigan City, IN 46360.
- **City of Virginia Beach, Virginia.** 2007. Review of commercial and residential reassessment processes.

Mr. J.D. Banagan, Real Estate Assessor, City of Virginia Beach, 2424 Courthouse Drive, Municipal Center, Building 18, Virginia Beach, Virginia 23456; telephone: 757-385-4601.
- **Land Registry of Iceland.** 2007-present. Assistance with revaluation planning and modeling strategies.

Mr. Örn Ingvarsson. Director of Valuation and Economics, Lands Registry of Iceland, Borgartúni 21, 105 Reykjavík, Iceland. Telephone: 354 515 5310.
- **Louisiana State Tax Commission.** 2007. Review the series of assessment/sales and assessment/appraisal ratio studies conducted routinely by the board, together with the underlying procedural manual and information-technology infrastructure; advise on opportunities to strengthen them.

Jeff Crosby, Director, Appraisal Section, 5420 Corporate Blvd, Ste 107, Baton Rouge, LA 70896; 1-225-925-7830
- **City of Norfolk, Virginia.** 2007. Review procedures for the valuation of commercial property and evaluate the accuracy achieved for it.

Deborah Bunn, Assessor, City of Norfolk. 810 Union Street, Norfolk, Virginia 23510. Telephone: (757) 664-4732.

- **Bose, McKinney & Evans, LLP.** 2007. Expert witness testimony on statistical issues in analyzing assessment equity.

Mr. David Sues. Attorney. 135 N Pennsylvania Street, Indianapolis, IN 46204. Telephone: 317 684 5112.

- **Montana Department of Revenue.** 2008-present. Reappraisal, time trending, modeling, ratio study, and quality-control assistance.

Mr. Dan Bucks, Director, DBucks@mt.gov. Mr. Alan Peura, Deputy Director, APeura@mt.gov or 406-444-3717. Montana Department of Revenue, PO Box 8018, Helena MT, 59604-8018.

- **Institute Geographique National, France International, (IGNFI).** 2008-present. Expert advice in designing a custom-built Computer Assisted Mass Appraisal (CAMA) system for the benefit of the Namibian Ministry of Lands and Resettlement in support of its administration of a tax on the unimproved site value of agricultural lands. Training in the use of SPSS software for the purposes of monitoring valuation performance and developing CAMA models.

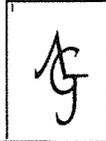
Ms. Nadege Orlova, Regional Manager, or Mr. Stephane Gil, Land Administration Director, IGNFI, 39 ter, rue Gay Lussac, Paris, France, Tel: +33 1 42 34 56 56, Fax: +33 1 42 34 56 51.

- **Unity Bay Group, Inc., U.S. Virgin Islands.** 2008 to present. Litigation assistance.

Mr. Jim Derr. (jimderr@earthlink.net)

- **Booz & Company, Cairo, Egypt.** 2009. Develop residential and commercial mass appraisal models for two pilot cities as part of a real estate tax implementation project for the Egyptian Ministry of Finance.

Messrs Tarek Nasser and Ibrahim Youssef, Booz & Company, Star Capital 8, 17th Floor, Al Forsan Street, Heliopolis West, 11771, Cairo, Egypt; Telephone: +20 2 2480 1444



ALMY, GLOUDEMANS, JACOBS & DENNE
Property Taxation and Assessment Consultants

7630 N. 10TH AVE • PHOENIX, AZ 85021 • U.S.A. • 1-602-870-9368 FAX: • 1-602-861-2114
Writer's direct numbers: • 1-847-788-1694, fax: • 1-847-788-1697

Curriculum Vitae

Robert C. Denne

2704 North Elm Lane
Arlington Heights Illinois 60004
1-847-788-1694; fax: 1-847-788-1697

Education

Master of Business Administration, 1974, The University of Chicago
Master of Arts (Librarianship/Information Science), 1975, The University of Chicago
Bachelor of Arts, 1971, The University of Chicago

Employment

Partner: Almy, GlouDEMANS, Jacobs, & Denne, property taxation and assessment consultants,
1998--present

Consultant in assessment administration, 1994--present

International Association of Assessing Officers, 1974--1993

1988--1993 Deputy Executive Director and Director of Research and Technical
Services

1985--1988 Deputy Executive Director and Director of Administrative Services

1978--1985 Controller and Director of Administrative Services

1978--1978 Associate Director of Research

1974--1978 Research Associate and Librarian

Accomplishments and Experience

Consulting and Technical Assistance. Mr. Denne has been engaged as a principal consultant in countless contracts with national, state, and local government agencies, as well as other consulting companies. His specialties include consulting and expert witness services in statistical aspects of property taxation and assessment administration, encompassing matters of equalization and quality control as well as valuation model building. Other areas of specialization include information technology, including systems analysis, design, and acquisition, and program management, including, performance audits and intergovernmental relations. In addition to numerous contracts in the United States and Canada, he has been engaged in projects in Argentina, Bosnia Herzegovina, Egypt, France, Kosovo, Montenegro, Namibia, Poland, and Russia.

Research. Mr. Denne has conducted and directed diverse research projects, including simulation studies, legal and literature reviews, survey research, and statistical/econometric analyses. Topics have included the characteristics of errors in assessment equity analyses, the efficacy of tax policy as a determinant of economic development; the appropriateness of parametric versus nonparametric statistics in quality control and equalization; the relative performance of multiple linear regression analysis, hybrid additive/multiplicative model structures, adaptive estimation procedures, and neural network algorithms in predicting property values and assessor performance; the most effective way to use geographic information systems technology in valuation models; and various salary/resources/practices surveys in fulfillment of a clearinghouse function. He has given numerous speeches and presentations, written, reviewed, and published numerous technical studies, and contributed to the IAAO textbook, reference manual, assessment standards program, self-evaluation guide, and editorial board. He founded the IAAO library and managed successive librarians, bibliographers, and inquiry service managers, and ensured its position as an invaluable resource in property tax administration.

Information Technology. He was the architect and principal programmer responsible for a large suite of programs to provide management information as well as administrative support to a quasi-professional membership organization having a large education program, an accreditation program, a consulting service, a publishing operation, and several other unusual lines of business. He introduced relational data base management, cost accounting, database publishing, a variety of quality-control systems, and user-oriented ad-hoc data analysis capabilities into operations that had never had them before. He has been a principal in numerous procurement and make-or-buy decisions. He has consulted on numerous projects involving the introduction and upgrading of information technology, has written custom software for clients for both analytical and production purposes, has reviewed the functionality and deficiencies of numerous systems in the fields of mass valuation and assessment administration, and has developed specifications and overseen system development work for several international property tax implementation initiatives.

Accounting and Finance. He has redesigned accounting and bookkeeping systems to implement an enterprise orientation, including complete cost accounting, integration of accounting and management information systems, program-oriented financial reports, and congruency among the planning, budgeting, and financial reporting functions. He has been responsible for the preparation of all financial statements and budgets, for dealing with audits (public and government-contract related), for managing the treasury, bookkeeping, and tax compliance functions, and for relations with various executive and management structures.

Selected Consulting Engagements

Alberta Municipal Affairs, Assessment Services Branch. Provide expert witness services on a recurring basis. Evaluate the statistical validity of the equalizations conducted from 1994 to 1999 in the two major cities of the province; recomputed results according to uniform criteria and best practices. Advise two government panels on stratification and other issues in equalization.

Steve White, Executive Director

Assessment Services Branch, Alberta Municipal Affairs, 15th Floor, Commerce Place, 10155 102 Street, Edmonton, Alberta, T5J 4L4; telephone: 1-780-422-1377.

Anchorage Municipality. Reviewed the computer assisted mass appraisal software system(s) and made recommendations for the future. Provided consulting assistance in the development of a Request for Proposals for a replacement system.

Marty McGee, Municipal Assessor
632 West 6th Avenue, Anchorage, AK 99519

Anchorage Municipality. Reviewed the computer assisted mass appraisal software system(s) and made recommendations for the future. Provided consulting assistance in the development of a Request for Proposals for a replacement system.

Marty McGee, Municipal Assessor
632 West 6th Avenue, Anchorage, AK 99519

Arkansas Assessment Coordination Department. Reviewed the field-audit and performance evaluation of the department in respect of department's role of monitoring the performance of the local assessors.

Debbie Ashbury, Director, 1614 West Third Street, Little Rock, AR 72201-1815.

Bearing Point, on behalf of the Housing & Property Directorate of Kosovo. Develop valuation models for current market values and historical privatization prices in the resolution of discrimination claims filed by displaced persons and other victims of discrimination. Prepare software for applying the formulas and printing documentation.

Timothy Murphy, on-site manager & Joe Eckert, Property Tax Director
1676 International Drive, McLean, VA 22102; telephone: 1-703-747-7520.

Bearing Point, on behalf of USAID in Bosnia Herzegovina. Determine if the timing is right for USAID to provide technical assistance in support of reforms leading to a credible, ultimately comprehensive system of real estate taxation that will provide a stable source of public revenue to local government and concurrently improve the property legal registry and cadastre.

Sally Powers, on-site manager & Joe Eckert, Property Tax Director
1676 International Drive, McLean, VA 22102; telephone: 1-703-747-7520.

Bearing Point on behalf of an anonymous New York town. Provide statistical expertise in the evaluation of a claim of racial discrimination in the assessments of a town in New York.

Joe Eckert, Property Tax Director
1676 International Drive, McLean, VA 22102; telephone: 1-703-747-7520.

Bose, McKinney & Evans, LLP. 2007. Expert witness testimony on statistical issues in analyzing assessment equity.

Mr. David Suess, Attorney. 135 N Pennsylvania Street, Indianapolis, IN 46204. Telephone: 317 684 5112.

Community Justice Project. Provide support to a legal challenge to the constitutionality of the Pennsylvania base-year assessment system by performing statistical analyses of the trends in assessment equity that result when economic trends affect market values but assessments remain unchanged.

Don Driscoll, Law Offices of Ira Weiss, 445 North Pitt Blvd, Suite 503, Pittsburgh, PA 15219; 1-412-381-9890.

Cook County (Illinois) Assessor's Office. Advise the office on valuation modeling.

Margaret Cusack, Chief of Assessment Operations, 118 N. Clark Street, Room 312
Chicago, IL 60602. 312/443-5340.

District of Columbia Auditor, in connection with the DC Appraiser's Office. Audit commercial property valuation practices, performance measures, and human-resources issues; recommend improvements as warranted.

Ronald King, Assistant Inspector General for Audits, Office of the Inspector General, 717 14th Street, N.W. 4th Floor, Washington, D.C. 20005, telephone 202-727-8279

Florida Department of Revenue, Ad Valorem Tax Division. Study changes in price levels of residential properties and vacant land in the 67 counties of the state.

Mr. Joel Schubert, Director of Aid and Assistance, Florida Department of Revenue, 325 John Knox Road, Building K, Tallahassee, Florida 32303; telephone: 1-850-922-7972.

Fulton County (Georgia) Board of Assessors. Review the operations of the staff reporting to the Board through its Chief Appraiser in response to critical procedural and performance audits; evaluate performance systemically and dispassionately, strategize reform initiatives, and provide mentoring to personnel in a newly created standards and quality-control unit.

Bill Huff, Chairman, and Burt Manning, Chief Appraiser, Fulton County Board of Assessors, 141 Pryor Street, Atlanta, GA 30303

Hamilton County (Indiana) Assessor's Office. Assist county personnel in the preparation of data submitted to the state oversight agency for performance monitoring and equalization purposes. Supply SPSS syntax and mentoring to test for sales chasing and to calculate other standard ratio-study statistics.

Robin Ward, Assessor, County Courthouse Ste 214, 33 N 9th Street, Noblesville, IN 46060; 1-317-776-9617.

Idaho State Tax Commission. Conduct a performance evaluation of the Commission's property tax functions, including general supervision, ratio studies and equalization, computing and mapping support to counties, and central assessment of railroads and utilities.

Mr. Larry Watson, Commissioner, Idaho State Tax Commission, P.O. Box 36, 800 Park Boulevard, Plaza IV, Boise, Idaho 83722-0036, Telephone: 1-208-334-3362.

Indiana Fiscal Policy Institute. Conduct a property tax equalization study for a privately organized but government-supported organization monitoring the transition of the Indiana property tax to a market-value basis.

Steve Johnson, President; William Sheldrake, Project Manager

1 N. Pennsylvania St, Ste 1000, Indianapolis IN 46204; telephone 1-317-237-2890.

Institute Geographique National, France International. Provide consulting assistance on the functional requirements and other design aspects of a computer assisted mass appraisal (CAMA) system being developed to support the tax on the unimproved site value of agricultural land for the benefit of the Ministry of Lands and Resettlement (MLR) of the Government of Namibia. Develop and conduct a two-week course on the use of SPSS software for purposes of CAMA and assessment-performance evaluation for MLR valuers.

Nadege Orlova, Regional Manager, or Stephane Gil, Land Administration Director, IGNFI, 39 ter, rue Gay Lussac, Paris, France, Tel: +33 1 42 34 56 56, Fax: +33 1 42 34 56 51.

International Association of Assessing Officers. Prepare a chapter on quality control for the text *Assessment Administration* and, with my partners, prepare a revised edition of the book *Assessment Practices Self-Evaluation Guide*, which is also used as the conceptual framework for the IAAO award: *Certificate of Excellence in Assessment Administration*.

Lisa Daniels, Executive Director or David Wheelock, then Executive Director
314 W 10th Street, Kansas City, MO 64105-1616; telephone: 1-816-701-8100.

International City/County Management Association, on behalf of Montenegro. Develop the infrastructure for transforming a centrally administered non ad-valorem property tax, with a very low collection rate, into an ad-valorem, municipally administered tax, with a targeted implementation schedule of one year. Activities included developing information sources and valuation techniques, organizational development, policy refinement, information systems development (analysis, design, and direction of development), and a large training component.

Mark Bidus, Director, International Municipal Programs,
777 North Capitol Street, NE, Suite 500, Washington, DC 20002; telephone: 1 202 962 3517; mbidus@icma.org.

IC/CMA for Poland, Krakow Municipality. Evaluate Poland's readiness to implement a market-value-based property tax, and estimate the tax burden shifts that would accompany it.

Jan Brzeski, former Vice Mayor of Krakow, Krakow Real Estate Institute,
3 Senacka Street, Krakow 31-002, Poland
Sandy Wheaton Bettger, ICMA Program Manager,

KPMG, Barents, on behalf of the Kosovo Central Fiscal Authority. Encourage the local municipalities to implement a market-value-based property tax and provide support to the municipalities that chose to do so. Technical support was provided in the areas of systems development (both institutional and information-technology related), valuation, tax collection, and the development of general administrative practices, principally at the municipality level, but also at the state-oversight level.

Joe Eckert, Property Tax Director
1676 International Drive, McLean, VA 22102; telephone: 1-703-747-7520.

Louisiana Tax Commission. Review the series of assessment/sales and assessment/appraisal ratio studies conducted routinely by the board, together with the underlying procedural manual and information-technology infrastructure; advise on opportunities to strengthen them.

Jeff Crosby, Director, Appraisal Section
5420 Corporate Blvd, Ste 107, Baton Rouge, LA 70896; 1-225-925-7830

Montana Department of Revenue. Time trending and, ratio study analyses.
Mr. Dan Bucks, Director, DBucks@mt.gov. Mr. Alan Peura, Deputy Director, APeura@mt.gov or 406-444-3717. Montana Department of Revenue, PO Box 8018, Helena MT, 59604-8018.

National Economic Research Associates (n/e/r/a). Provide on-site technical direction for a project seeking to implement property taxation and fiscal decentralization in multiple cities in Russia, sponsored by the United States Agency for International Development, in the Russian Federation

Joe Eckert, former partner at n/e/r/a, jkeckert@bearingpoint.net

Natalia Kalinina, secretary, the Inter-Ministerial Working Group of the Prime Minister of Russia

Nebraska Department of Property Assessment & Taxation. Review of the state sales ratio studies and equalization procedures.

Ruth Sorensen, Property Tax Administrator

1033 "O" Street, Ste 600, Lincoln NE, 68508-3686; 1-402-471-5919.

New York State Office of Real Property Services. Review equalization procedures. Study methods for developing trends in real property values and developing clusters of jurisdictions that can usefully be combined on economic grounds.

Thomas G. Griffen, Executive Director and Mr. David Williams, Chief of Field Operations, New York State Office of Real Property Services, 16 Sheridan Avenue, Albany, New York 12210-2714; telephone: 1-518-474-5711.

No-Mon-Nee Agricultural Partners. Analyze the validity of an equalization study.

Paul A. or Mark A. Boivin, partners,

6286 Goodrich Cor Rd., Addison, VT 05491-9920; telephone: 802-475-2494.

City of Norfolk, Virginia. Review procedures for the valuation of commercial property and evaluate the accuracy achieved for it. Marcus Jones and Jessica Bayer, Office of Budget and Management, and Deborah Bunn, Assessor, City of Norfolk. 810 Union Street, Norfolk, Virginia 23510. Phone MJ & JB : (757) 664-4038 & Phone DB: (757) 664-4732

Oklahoma State Tax Commission, Ad Valorem Division. Review personal property tax administrative practices in Oklahoma and the conduct of personal property ratio studies in leading states.

Jeff Spelman, CAE, Director

2501 Lincoln Blvd, Oklahoma City, OK 73154; telephone: 1-405-521-3178.
jspelman@oktax.state.ok.us

Perry, Guthery, Haase & Gessford. Expert witness services in connection with an appeal by a consortium of school districts of a state-issued equalization.

James B. Gessford, Partner

233 South 13th Street, Ste 1400, Lincoln NE, 68508; 1-402-476-9200.

Real Estate Tax Consultants, Inc. Analyze a variety of conflicting ratio studies and conduct an independent one for Allegheny County and Pittsburgh. Provide statistical and systems expertise in monitoring the performance of reappraisal contractors in several other Pennsylvania counties.

Wayne Biernacki, President, 2600 Boyce Plaza Rd, Ste 100, Pittsburgh, Pennsylvania 15241-3949; telephone: 1-412-257-7878.

Rhode Island Office of Municipal Affairs. Review assessment equalization practices in the state. Make recommendations for ratio studies and equalization.

Mr. James Savage, Supervisor, Tax Equalization Section, Office of Municipal Affairs, Department of Administration, One Capitol Hill, Providence, Rhode Island 02908; telephone: 1-401-222-2885.

Town of Rye, New York. Consultation and analyses in response to an appeal for a special equalization rate for the Rye Neck Union Free School segment of the Town of Rye.
Mr. Mitchell Markowitz, Town of Rye Assessor, 10 Pearl Street, Rye, New York.

Village of Scarsdale, New York. Calculate time trend factors for use in adjusting sale prices of comparable properties sold in prior years.
Nanette J. Albanese, SRA, IAO, Assessor, 1001 Post Road, Scarsdale, NY 10583.

Strategica, on behalf of Solano County, California. Provide consulting assistance for a review of the office of the Assessor-Recorder on behalf of the Board of Supervisors, with responsibility for evaluating property tax assessment resources and procedures, plans for the development of a geographic information system, and the in-house information technology system used to support the Assessor-Recorder, Auditor-Controller, and Treasurer-Tax Collector.
Mr. David Howe, President
Strategica, Inc. 24539 SE 39th Place, Issaquah, WA 98029; telephone: 1-425 427-5269.

Strategica, on behalf of Los Angeles County Auditor and Assessor, California. Audit the practices of the assessor's office in respect of its valuation and assessment practices for real and personal property, its use of information technology and GIS resources, its human-resources practices, and its handling of assessment appeals.
Mr. David Howe, President
Strategica, Inc. 24539 SE 39th Place, Issaquah, WA 98029; telephone: 1-425 427-5269.

Vermont Division of Property Valuation and Review. Evaluate equalization procedures.
Ms Theresa Knight, Chief of Operations, Vermont Division of Property Valuation and Review, 109 State Street, Montpelier, Vermont 05609; telephone: 1-802-828-5860.

City of Virginia Beach. Review procedures for the valuation of commercial (and, subsequently, residential) property and evaluate the accuracy achieved for it in response to complaints from citizens and board members. Dia M. Hayes, Management and Budget Analyst, and Jerry Banagan, Assessor, City of Virginia Beach. City Hall, Building 1, Municipal Center Virginia Beach, Virginia 23456. Phone DMH: (757) 385-4112 & Phone JB: (757) 427-8549

William H Wendt. Provide statistical analyses of local assessment equity, test for ancillary issues such as sales chasing, and advise on procedural and policy issues related to equalization and assessment performance monitoring.
William H. Wendt, 1922 Lake Shore Drive, Michigan City, IN 46360.

West Virginia Department of Tax and Revenue and Attorney General. Provide expert witness services in connection with a succession of cases brought under the Railroad Revitalization and Regulatory Reform Act. Also additional related consulting on statistical matters.
Jerry Knight, Director, Property Tax Division
Kathy Schultz, Senior Deputy Attorney General
State Capitol, Bldg. 1, Room W435, 1900 Kanawha Boulevard, East, Charleston, WV 25305

Wyoming Department of Revenue. Evaluate the state's existing CAMA systems.
Jim Felton, Supervisor, Locally Assessed Property, Ad Valorem Tax Division, Wyoming Department of Revenue, Herschler Building, 2 West 122 West 25th Street, Cheyenne, Wyoming 82002-0110; telephone: 1-307-777-5335.

Others, including: Argentina: Ministerio del Interior, Subsecretario de Gestion y Evaluacion Financiera, Touche Ross, United States Department of Housing and Urban Development, and the World Bank.

Selected Publications

- Editor. *Analyzing Assessment Equity: Techniques for Measuring and Improving the Quality of Property Tax Administration.* IAAO, 1978.
- Author. "Analyzing Valuation Equity: Detecting and measuring assessment regressivity / progressivity using alternatives to the discredited Price Related Differential." IAAO-URISA CAMA-GIS Conference, 2011.
- Co-author. *Assessment Practices in the United States.* U.S. Dept. of Housing and Urban Development, 1978.
- Co-author. *Assessment Practices Self-Evaluation Guide, 2nd Edition.* IAAO, 2003.
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Memberships & Affiliations

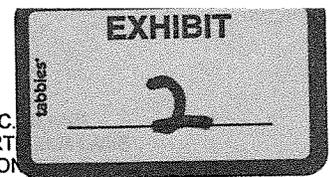
- International Association of Assessing Officers
- International Property Tax Institute
- Institute of Mathematical Statistics
- Chicago Machine-Learning Study Group
- Microsoft Developers’ Network
- Oracle Development Tools User’s Group
- Suburban Chicago Delphi Users Group



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May 22, 2013

Jeff Crosby
Director
Louisiana Tax Commission
5420 Corporate Boulevard, Suite 302
Post Office Box 66788
Baton Rouge, Louisiana 70896-6788

Dear Mr. Crosby:

The Auditor's report proposes a compliance criterion that, as previously noted, is not used anywhere to my knowledge in the United States or Canada as a state-or-province-level compliance criterion in judging the performance of local assessors. The IAAO Standard on Ratio Studies, as previously noted, articulates as professional best practices the use of either a median or a weighted mean ratio, taking into consideration *tolerance intervals for the median or weighted mean* and confidence intervals *around the calculated median or weighted mean*. Contrary to the Auditor's apparent supposition, the tolerance intervals are meant only for the summary statistic (the median or weighted mean), not the individual parcel-level ratios. An IAAO survey on ratio study practices also fails to reveal any jurisdictions using intervals for individual ratios; see IAAO Technical Standards Committee. "*Ratio Study Practices in the United States and Canada: Results of 2011 Survey*" **Journal of Property Tax Administration and Assessment**, 9 no. 1 (2012).

In view of the Auditor's interest in the statistic, I have compared the performance on this criterion of Louisiana parish assessors, as measured by LTC's assessment-to-appraisal ratio study, to the performance of county assessors in a comparable gulf-coast state with a well-regarded program for monitoring the compliance of local assessors. That neighboring program uses available validated sales, rather than state-level appraisals, in the ratio study. As a result the sample sizes range into the tens of thousands in populous counties rather than the low hundreds used by LTC. LTC's use of appraisals in lieu of sales is rather uncommon, so there is little hope of finding any closer comparison state. As shown in the following Figures 1 and 2, the frequency of jurisdictions with relatively high proportions of sales outside the Auditor's proposed threshold of ten percent of the target ratio at the level of each individual sold parcel is actually higher in the comparable state than it is in Louisiana according to my calculations on the available data.

I hope these additional resources will prove useful in the state's deliberations.

Sincerely,

Robert C. Denne

Figure 1
Plot of Proportions of Assessment Ratios outside Plus or Minus Ten Percent of Target
In Louisiana Parishes, by the Parish Population

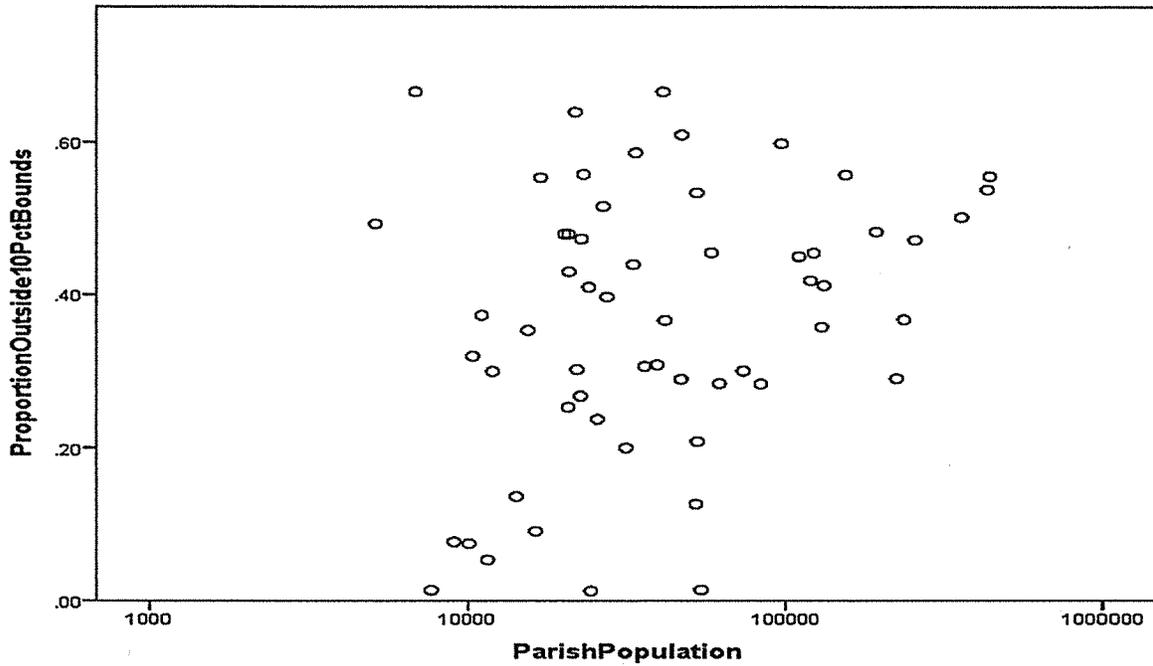
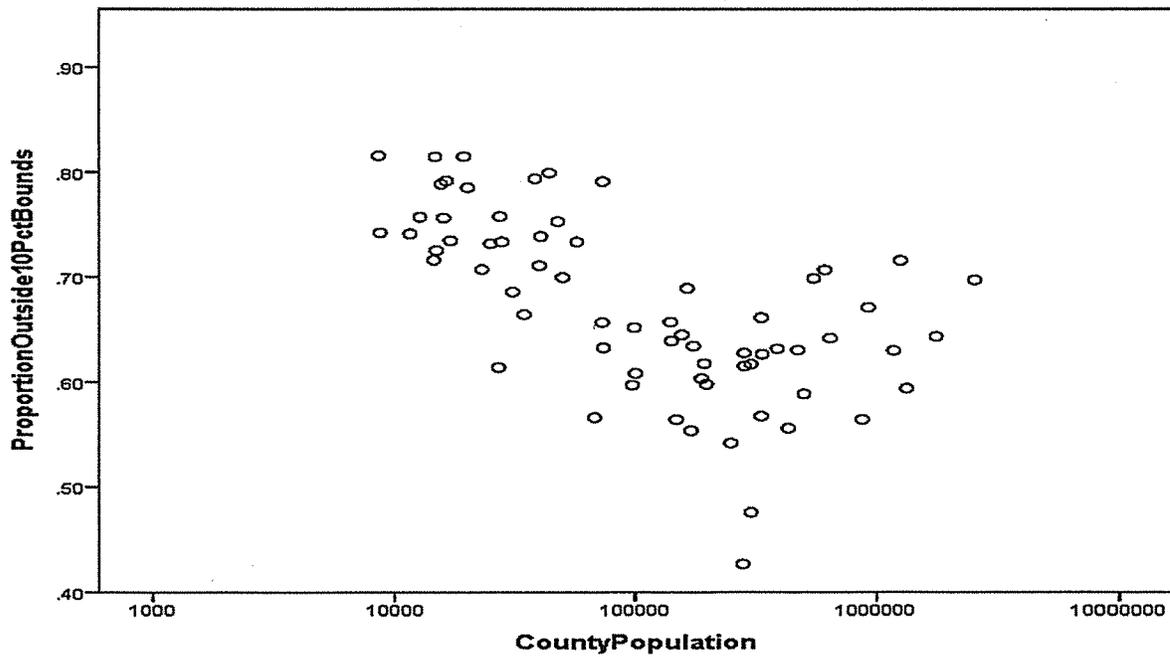


Figure 2
Plot of Proportions of Assessment Ratios outside Plus or Minus Ten Percent of Target
In the Counties of a Comparable Gulf-Coast State, by the County's Population



APPENDIX B: SCOPE AND METHODOLOGY

We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. The audit evaluated Louisiana Tax Commission's (LTC) oversight of the parish tax assessors with respect to the residential property tax assessment process. The audit objective was as follows:

Does LTC's oversight of parish tax assessors ensure that residential property tax assessments are accurate?

We conducted this performance audit in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. To answer our objective, we reviewed internal controls relevant to the audit objective and performed the following audit steps:

- Researched state and local laws relating to LTC, parish tax assessors, residential reassessments, and the homestead exemption.
- Obtained and reviewed LTC's mission and goals as stated in its strategic plan.
- Interviewed LTC staff to determine their process and methodology for conducting ratio studies, verifying and recommending approval of change orders, and determining if residential property is reassessed according to state law.
- Obtained and reviewed the International Association of Assessing Officers' *Standard on Ratio Studies* to determine the industry standards for conducting ratio studies.
- Obtained and reviewed LTC's *Ratio Study Report to the Louisiana Tax Commission as of December 31, 2011*, and reviewed LTC's ratio study procedures used when conducting ratio studies. Documented the properties LTC excludes in its residential ratio studies. These properties include special assessments such as assessment freezes for those older than 65 and veterans with disabilities, properties that have been sold in the last five years, and new construction.

Ratio Study/10% of Fair Market Value Determination

- Once we determined the ratio report summary sheets were reliable, we analyzed the results of the 2011 ratio study to determine the number of properties outside the acceptable range. We analyzed this information by parish and state-wide.
- Using the ratio studies, we selected a sample of properties with high assessment ratios and low assessment ratios in the same neighborhood. We compared the properties based on living area, appraised value, assessed value, and taxes due.

Parish Tax Roll Data

- Obtained the parish tax roll data from all parishes for calendar years 2007, 2011, and 2012. Once we determined that the parish tax roll data was reliable, we used this data to analyze the following:

Property Reappraisals

- For the 33 parishes that had complete electronic parish tax roll data for 2007 and 2012, we compared the fair market value of Single Family Residential Property based on matching assessment number and parcel number from 2007 to 2012 to determine if there was a change in fair market value (increase or decrease). As of 2007, 33 parishes had electronic tax roll data.

Homestead Exemptions

- To detect residents with homestead exemptions greater than \$7,500, we searched for duplicates in the 2011 and 2012 parish tax roll data for all 64 parishes. We searched by taxpayer name and mailing address and then added the total value of the homestead exemptions and isolated the instances where the total was greater than \$7,500.
- Using the data, we calculated the potential lost tax revenue by applying the appropriate parishwide millage rate found in the 2011 LTC Annual Report to the amount of homestead exemptions in excess of \$7,500. The parishwide rates are specific to each municipality. As a result, the potential lost revenue is potentially higher.
- We conducted best practice research to determine how other states monitor homestead exemptions.

Change Order Process

- Obtained the change order data for calendar years 2010, 2011, and 2012. Once we determined this data was reliable, we used this data to analyze the following for all businesses and residential change orders:
 - Using the change order assessed field and change order type RE (Real Estate -- businesses and residential), we determined the total number of approved change orders for calendar years 2010, 2011, and 2012. LTC data does not track denied change orders.
 - Using the present total assessed and revised total assessed value fields, we determined how many change orders the Commission approved for a decrease or increase in assessed value and the amount of the change.

APPENDIX C: BACKGROUND

Legal Authority. The specific laws governing LTC and the parish tax assessors with respect to residential property assessments are as follows:

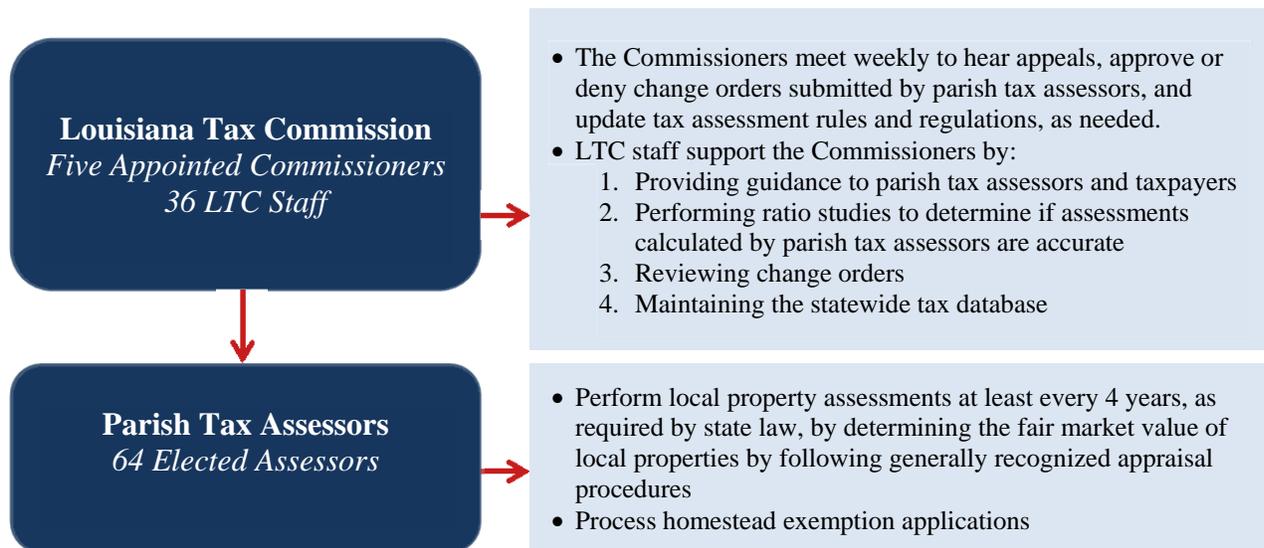
- LTC - According to Louisiana Constitution Article 7 Section 18 (LA-Const. Art.7 §18), the correctness of assessments by the assessor shall be subject to review first by the parish governing authority, then by the LTC or its successor, and finally by the courts, all in accordance with procedures established by law. In addition, Louisiana Revised Statute (R.S.) 47:1837 requires LTC to enforce all laws related to the state supervision of local property tax assessments and measure the accuracy (assessment level and degree of uniformity) of assessments conducted by parish tax assessors for each type of property in the state.
- Parish Tax Assessors - LA-Const. Art.7 §18 requires each parish assessor to determine the fair market value¹⁰ of all property subject to taxation within the respective parish.¹¹ The Constitution further requires the parish tax assessor to assess a residential property's tax value at 10% of its fair market value. For example, a property with a fair market value of \$100,000 should have an assessed value of \$10,000 and be assessed property tax on that \$10,000. State law (R.S. 47:2321) defines fair market value as the price for property which would be agreed upon between a willing and informed buyer and a willing and informed seller under usual and ordinary circumstances.

Role of LTC and Parish Tax Assessors. The goal of LTC, according to its strategic plan, is to use its oversight authority over elected parish tax assessors to ensure accurate and uniform assessments of all property throughout the state. In fiscal year 2013, LTC had an operating budget of approximately \$3.8 million and 36 full-time equivalent employees. The following exhibit summarizes the role of LTC and parish tax assessors.

¹⁰ The fair market value is the appraised value of the property.

¹¹ This does not include public service properties because LTC determines their fair market value, not parish tax assessors.

Role of LTC and Parish Tax Assessors



Source: Prepared by legislative auditor's staff using information obtained from state law and LTC's policies and procedures.

Determining the Accuracy of Residential Property Assessments. The accuracy of a residential property assessment is determined by comparing the assessed value of a property to its fair market value (assessment level) and by the degree to which different properties are assessed at fair market value (assessment uniformity). To ensure the parish tax assessors accurately value the residential property throughout the state, LTC conducts residential ratio studies. LTC conducts ratio studies by evaluating a sample of residential property assessments in each parish. LTC conducts these studies at least once in a four-year period, with the most recent being 2011. According to the International Association of Assessing Officers, which provides guidance for property tax assessments and oversight agencies, conducting ratio studies is the best way to measure the accuracy of assessments. Appendix D summarizes the ratio study process.

Homestead Exemptions. LA-Const. Art.7 §20 provides that a resident's homestead exemption should not be greater than \$7,500 of the assessed value of the property. For example, a homeowner who has a residential property with an assessed value of \$10,000 (\$100,000 fair market value) has to pay taxes on \$2,500. The Constitution further states that a homeowner cannot have a homestead exemption on more than one residence. While parish tax assessors grant homestead exemptions, state law does not require any entity to oversee homestead exemptions or provide for a statewide homestead exemption database to identify residents not abiding by this law. House Concurrent Resolution 2 of the 2012 Legislative Session requested that LTC study and make recommendations about the feasibility of a statewide homestead exemption database. LTC's progress with respect to HCR 2 was discussed on pages 9-10 of this report.

APPENDIX D: RATIO STUDY PROCESS

According to the International Association of Assessing Officers, a ratio study evaluates the relationship between the fair market value and the assessed value. Per state law (R.S. 47:1837), the Louisiana Tax Commission (LTC) is responsible for measuring the level and uniformity of property tax assessments statewide and enforcing the level of assessment. To measure the level and uniformity of residential assessments, LTC conducts residential ratio studies at least once every four-year period, with the most recent being 2011. Ratio studies measure two things to determine the accuracy of the assessments:

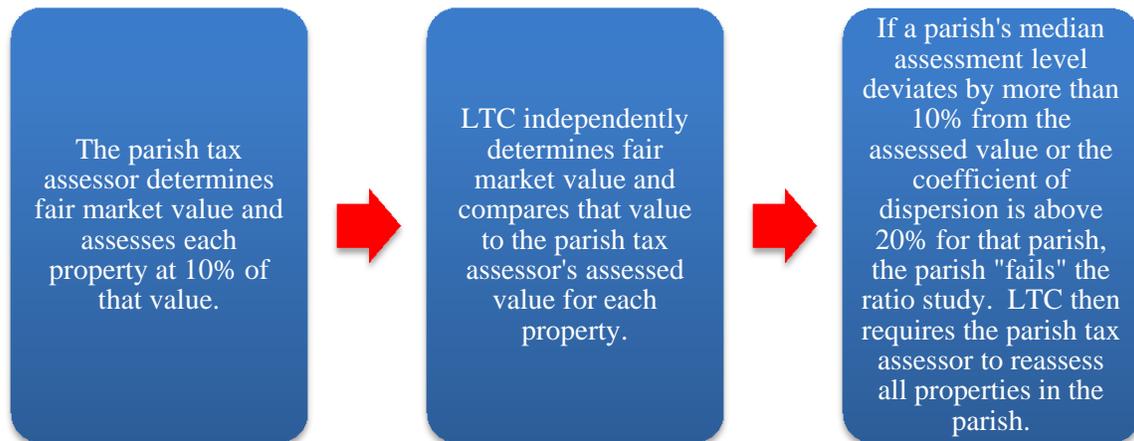
1. Assessment **level**, which is a comparison of assessed values to fair market values
2. Assessment **uniformity**, which is the degree to which different properties are assessed at fair market value

How LTC Performs Ratio Studies. For each ratio study, LTC's appraisers select a sample of properties and establish fair market values for them, independently from the parish assessor's calculation of the fair market value.¹² Once LTC determines the fair market value for the sampled properties, LTC prepares the parish ratio studies as follows:

- LTC compares each sample property's fair market value to its assessed value on the parish assessor's tax rolls, which results in a ratio measuring the level of assessment for each sample property. This is called the **assessment ratio**. For example, a property with a fair market value of \$100,000 and assessed at \$10,000 would have an assessment ratio of 10%.
- For each parish, LTC calculates the overall level of assessment based on the middle value in the sample it studies. This is called the **median**.
- For each parish, LTC calculates how close the sample property ratios are to each other. To do this, LTC uses a statistic called the **coefficient of dispersion (COD)**. The COD measures the uniformity (equity) of property tax assessment within a parish.
- A parish passes a ratio study if its median assessment level is between 9% and 11% and if its COD is 20% or lower. If a parish's assessment level falls outside these ranges, it fails the ratio study. By law, LTC must then order the assessor to reassess residential property within one year.

¹² LTC excludes in its sample properties that have a frozen assessment, properties that have been sold in the past five years, and new construction.

The following exhibit summarizes this process.



APPENDIX E: RESIDENTIAL RATIO STUDY RESULTS BY PARISH

LTC's 2011 Residential Ratio Study Results Percent of Properties outside 9% to 11% of Fair Market Value By Parish			
Parish	Sample Size	Total Outside 9% to 11%	Percent Outside 9% to 11%
1. Acadia	102	29	28.4%
2. Allen	80	19	23.8%
3. Ascension	151	68	45.0%
4. Assumption	77	43	55.8%
5. Avoyelles	90	33	36.7%
6. Beauregard	75	23	30.7%
7. Bienville	61	4	6.6%
8. Bossier	160	67	41.9%
9. Caddo	250	118	47.2%
10. Calcasieu	204	98	48.0%
11. Caldwell	67	5	7.5%
12. Cameron	51	34	66.7%
13. Catahoula	75	24	32.0%
14. Claiborne	74	41	55.4%
15. Concordia	75	36	48.0%
16. DeSoto	91	47	51.6%
17. East Baton Rouge	252	140	55.6%
18. East Carroll	73	1	1.4%
19. East Feliciana	75	36	48.0%
20. Evangeline	75	44	58.7%
21. Franklin	75	19	25.3%
22. Grant	76	23	30.3%
23. Iberia	162	49	30.2%
24. Iberville	75	33	44.0%
25. Jackson	65	5	7.7%
26. Jefferson	236	127	53.8%
27. Jefferson Davis	79	15	19.0%
28. Lafayette	258	74	28.7%
29. Lafourche	152	91	59.9%
30. LaSalle*	N/A	N/A	N/A
31. Lincoln	69	20	29.0%
32. Livingston	162	58	35.8%
33. Madison	70	21	30.0%
34. Morehouse	78	31	39.7%
35. Natchitoches	81	25	30.9%

LTC's 2011 Residential Ratio Study Results			
Percent of Properties outside 9% to 11% of Fair Market Value			
By Parish			
Parish	Sample Size	Total Outside 9% to 11%	Percent Outside 9% to 11%
36. Orleans	259	130	50.2%
37. Ouachita	251	140	55.8%
38. Plaquemines**	N/A	N/A	N/A
39. Pointe Coupee	76	36	47.4%
40. Rapides	257	106	41.2%
41. Red River	63	3	4.8%
42. Richland	72	31	43.1%
43. Sabine	79	1	1.3%
44. St. Bernard**	N/A	N/A	N/A
45. St. Charles	131	70	53.4%
46. St. Helena	75	28	37.3%
47. St. James	75	48	64.0%
48. St. John the Baptist***	N/A	N/A	N/A
49. St. Landry	148	42	28.4%
50. St. Martin	72	15	20.8%
51. St. Mary	142	1	0.7%
52. St. Tammany	204	75	36.8%
53. Tangipahoa	156	71	45.5%
54. Tensas	75	37	49.3%
55. Terrebonne**	N/A	N/A	N/A
56. Union	56	15	26.8%
57. Vermilion	90	41	45.6%
58. Vernon	79	10	12.7%
59. Washington	59	36	61.0%
60. Webster	101	66	65.3%
61. West Baton Rouge	78	32	41.0%
62. West Carroll	75	4	5.3%
63. West Feliciana	82	29	35.4%
64. Winn*	N/A	N/A	N/A
Total	6,551	2,568	39.2%
*Parish was not included in LTC's 2011 Residential Ratio Study because it failed the 2010 Land Ratio Study. In 2012, LTC did a reappraisal ratio study to ensure that properties had been reassessed.			
** Parish was not included in LTC's 2011 Residential Ratio Study because it failed the 2009 Sales Ratio Study. In 2011, LTC did a reappraisal ratio study to ensure that properties had been reassessed.			
*** Parish was not included in LTC's 2011 Residential Ratio Study because it failed the 2009 Sales Ratio Study. In 2010, LTC did a reappraisal ratio study to ensure that properties had been reassessed.			
Source: Prepared by legislative auditor's staff using information from LTC's 2011 Residential Ratio Study.			

APPENDIX F: ADDITIONAL SAME NEIGHBORHOOD PROPERTY COMPARISON EXAMPLES 2011 RESIDENTIAL RATIO STUDY RESULTS



Property A

Living Area: 2,278 square feet
 LTC's Fair Market Value: \$216,410
 Assessor's Assessed Value*: \$26,517
 Percent of Fair Market Value: 12.3%
2011 Taxes Due: \$2,051.36
2012 Taxes Due: \$1,758.57



Property B

Living Area: 2,187 square feet
 LTC's Fair Market Value: \$207,765
 Assessor's Assessed Value*: \$12,600
 Percent of Fair Market Value: 6.1%
2011 Taxes Due: \$550.16
2012 Taxes Due: \$548.24

Property owner
 A owes 221%
 more in 2012
 property taxes
 than property
 owner B



Property C

Living Area: 2,168 square feet
 LTC's Fair Market Value: \$108,400
 Assessor's Assessed Value*: \$15,140
 Percent of Fair Market Value: 14.0%
2011 Taxes Due: \$753.49
2012 Taxes Due: \$751.52



Property D

Living Area: 2,244 square feet
 LTC's Fair Market Value: \$112,200
 Assessor's Assessed Value*: \$6,910
 Percent of Fair Market Value: 6.2%
2011 Taxes Due: \$40.29
2012 Taxes Due: \$39.39

Property owner
 C owes 1,808%
 more in 2012
 property taxes
 than property
 owner D



Property E

Living Area: 2,246 square feet
 LTC's Fair Market Value: \$112,300
 Assessor's Assessed Value*: \$16,053
 Percent of Fair Market Value: 14.3%
2011 Taxes Due: \$1,177.47
2012 Taxes Due: \$1,117.68

Property owner
 E owes 100%
 more in 2012
 property taxes
 than property
 owner F



Property F

Living Area: 2,106 square feet
 LTC's Fair Market Value: \$105,300
 Assessor's Assessed Value*: \$10,811
 Percent of Fair Market Value: 10.3%
2011 Taxes Due: \$580.63
2012 Taxes Due: \$557.46



Property G

Living Area: 2,250 square feet
 LTC's Fair Market Value: \$94,500
 Assessor's Assessed Value*: \$13,220
 Percent of Fair Market Value: 14.0%
2011 Taxes Due: \$715.23
2012 Taxes Due: \$822.52

Property owner
 G owes 158%
 more in 2012
 property taxes
 than property
 owner H



Property H

Living Area: 2,052 square feet
 LTC's Fair Market Value: \$86,184
 Assessor's Assessed Value*: \$9,100
 Percent of Fair Market Value: 10.6%
2011 Taxes Due: \$289.80
2012 Taxes Due: \$318.89

* The Constitution requires parish tax assessors to assess residential property at 10% of its fair market value. For example, a property with a fair market value of \$100,000 should have an assessed value of \$10,000.

Note: This analysis controlled for the homestead exemption (i.e., both properties in the comparison either have a homestead exemption or do not have a homestead exemption).

Source: Appendix E was prepared by legislative auditor's staff using information obtained from LTC's ratio studies and parish tax roll data.