



**Connecticut Association of Assessing Officers Research/Historian
Committee**

Retention of current events will prevent the loss of history for future generations

**CAAO AWARD WINNING
ESSAY'S AND ARTICLES**



1975 to 2013

ESSAY OF THE YEAR AWARD

This award is presented to the author of the best essay on assessment or property tax administration.

Said essay shall be authored by a C.A.A.O. member.

All essays shall be submitted to the Professional Designations and Awards Committee, in order to be considered for this award.

The submitted essay must be on a topic, written in a style and of a length suitable for publication in the Assessorreporter.

Upon review and majority vote, the Professional Designations and Awards Committee shall cause this award to be presented to the recipient at the Annual Spring Meeting of C.A.A.O.

The awarded essay shall be submitted for publication to the Assessorreporter, The Professional Designations and Awards Committee shall cause to be published in the January issue of the Assessorreporter, a notice detailing the requirements of this award.

BEST ARTICLE AWARD

This award is presented to the author or authors of the best article published in the Assessorreporter during the previous calendar year.

Said article shall be authored by a C.A.A.O member or members and may cover any topic.

Upon review and majority vote, The Professional Designations and Awards Committee shall cause this award to be presented to the recipient at the Annual Spring Meeting of the C.A.A.O.

The Professional Designations and Awards Committee shall cause to be published in the January issue of the Assessorreporter, a notice detailing the requirements of this award.

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ESSAY OF THE YEAR AWARD WINNERS

ECONOMIC OBSOLESCENCE DIMINISHED UTILITY – LOCATION – A UNIQUE FORM OF DEPRECIATION

(First Essay Winner 1975)

**By Alexander F. Standish, CCMA, CCA, CAE, SRA
Hartford Deputy Assessor**

ECONOMIC OBSOLESCENCE, A UNIQUE FORM OF DEPRECIATION

Economic Obsolescence is a comparatively unique form of depreciation. Of the three major classifications of depreciation, economic obsolescence is unique because it can affect property values with owners being helpless to forestall or correct the causes. Conversely, physical deterioration as we know it is a loss of value to the improvements occurring because of the action of natural elements, neglect of the owners to either correct physical deficiencies or take steps which would defer deterioration.

Functional obsolescence also is a form of depreciation, which to a considerable degree is within the control of the property owner. Old-fashioned fixtures can be replaced and ceiling heights may be lowered. Generally, modernization can be affected without expenditure that would go beyond economically feasible limits. Both forms of depreciation can be kept to a minimum and the useful life of property extended infinitely.

Because economic obsolescence is caused by forces outside of the property limits, owners find themselves helpless to take counteractive or protective measures. Consternation takes the place of corrective action. Individuals or small groups of property owners seldom wield the authority to eliminate or limit the depreciating influences. Too often, governmental action or local police powers create situations that may be damaging to the individual property. For example, a street in a residential neighborhood may be selected for through truck traffic. Land that had been quietly vacant may have been approved for a noisy or otherwise obnoxious use. There may be socio-economic change. Whatever the influence, property owners are usually powerless to affect a cure or mitigate the depreciating action, short of relocating their property.

For this reason, Economic Obsolescence is termed incurable, a depreciating force which in most cases cannot be economically corrected and is unique in comparison to physical deterioration or functional obsolescence.

NEW TERMINOLOGY

Recently a new appraisal term has been introduced to explain losses in property value which result from causes outside of the property being appraised. Where in the past the term Economic Obsolescence was universally used to describe this form of depreciation, it is now incumbent on appraisers and assessors to become accustomed with an entirely new expression. We should now consider as synonymous with Economic Obsolescence the term Diminished Utility – Locational, a term which has been prepared by the Society of Real Estate Appraisers and included in their course 101, Introduction To Real Estate.

The originator of this relatively new term considers Economic Obsolescence an unfortunate way to identify losses of value to a property occurring due to negative environmental forces outside of the property. It is explained as an unfortunate term because the impact does not arise solely due to economic forces alone. Social and physical forces also have much bearing on the property value. The impact is economical, but then so is the impact of intrinsic physical deterioration and functional obsolescence. “Locational Obsolescence” it is claimed, is more descriptive and more preferable. In any case, we now have a term that should be kept in mind whenever we think of Economic Obsolescence.

ECONOMIC OBSOLESCENCE DEFINED

Various definitions of Economic Obsolescence have been offered including that which is quite recent and called Diminished Utility – Locational. The wording of the various definitions may be different but the causes or forces which influence property value are not too unlike. Some of the more popular definitions are shown below.

- “Impairment of desirability or useful life arising from economic forces, such as changes in highest and best use, legislative enactment which restrict or impair property rights and changes in supply-demand relationships. This form of depreciation is sometimes called Locational Obsolescence.”¹
- “Loss in value due to adverse influences extrinsic to the property, i.e., influences which are outside of the property lines of the property appraised being appraised.”
- “Loss from cost new as of the date of the appraisal resulting from external causes. The causes may be specific, such as environment or changes in the character of a neighborhood, but often they arise from more subtle economic forces such as restrictive legislation or zoning, or changes in the economy of the city and supply-demand relationships.”
- “Locational-Diminished Utility and in this context defined as: “the reduction in utility experienced by the structure as a result of negative environmental forces outside of the property boundaries.”²
- “Economic Obsolescence is caused by changes external to the property such as neighborhood infiltrations of inharmonious people or property uses, legislation and the like.”³

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¹ The Society of Real Estate Appraisers, Course 101 – Introduction to Real Estate.

² Society of Real Estate Appraiser.

³ American Institute of Real Estate Appraisers. (Chicago: Author, 1962) pg. 52

ECONOMIC OBSOLESCENCE, KEY POINTS TO REMEMBER

The key points to remember in connection with these definitions are as follows:

- The causes or influences are extrinsic, i.e., outside of the property limits.
- There must be an impairment of desirability or useful life.
- The outside forces must affect the highest and best use.
- There must be a change in supply and demand.
- The influence must be measurable and strong enough to affect the value of the property.
- There must be a reduction in utility.
- The influence can be specific or subtle in nature.
- The cure is generally not economically feasible.
- The loss is taken as a deduction from reproduction cost new of the improvements only, as of the date of the appraisal. Land is taken care of separately via the market approach.

The main categories under which causes of Economic Obsolescence of Diminished Utility- Locational may be grouped include physical, economic, governmental and social. The acronym would be PEGS.

MEASUREMENT OF ECONOMIC OBSOLESCENCE OR D.U.-L.

In measuring Economic Obsolescence or D.U.-L., the appraiser must rely on his experience and judgment. He must carefully view the property and visualize it as if new and completely functional, and its value in this situation. His documentation of comparable market data following careful analysis of this data is his evidence and support of value loss.

In the absence of sales, a measurement tool used to develop an estimate of obsolescence is the capitalization of rental loss. This method is commonly known as the Gross Rent Multiplier method. The formula and an illustration follow:

1. Estimate the subject property monthly rental in its present environment.
2. Compare the subject property with similar property situated in an ideal environment.
3. Develop a Gross Rental Multiplier from the market.

Continued next page

Formula

$$\text{G.R.M.} = \text{Sales price} \div \text{Monthly Rental}$$

OR

$$160 = \$32,000 \div \$200$$

Illustration

Rental of comparables in <u>ideal</u> environment.....	\$200
Subject property rental.....	<u>180</u>
Difference in rental.....	\$ 20

GRM developed from market..... 160

Subject property value loss is: GRM 160 X Monthly Rental loss \$20 = \$3,200

OR

The comparable property value ideal neighborhood is: \$200 X 160 = \$32,000

The subject property value ideal neighborhood is: \$180 X 160 = 28,000

Difference or value loss to subject is: \$ 3,200

(Since this is the total value of the entire property, an apportionment must be made between land and improvements.)

Assume further that:

Land value has been developed via the Market approach.

The loss is proportional between land and improvements.

That land value is equal to 20% of the total value – ratio 1:4

Then

The loss of improvement value is: \$3,200 X 80% or \$2,560

And the indicated land loss is: \$3,200 X 20% or 640

Total \$3,200

The same total value loss can be figured another way. Of the total value, land is 1/5 of the total and the improvements, 4/5 thus;

$$\$3,200 \times 4/5 \text{ is: } \$2,560$$

This represents the so-called classical method of pro-rating value loss between land and improvements.

Caution:

The appraiser must rely on actual market data in the subject neighborhood. If the market data indicates for example, that land is equal to 25% of the total property value, then in the above case the apportionment of loss to the improvements would be \$3,200 X 75% or \$2,400. In all cases, were possible, the land value should be estimated by comparative sales.

ANOTHER PROCEDURE TO MEASURE ECONOMIC OBSOLESCENCE⁴

1. Estimated monthly rental value after curing physical and functional deficiencies, if not subject to extraneous depreciating influences..... \$ 450
2. Present monthly rental value after curing physical and functional deficiencies..... \$ 400
3. Estimated monthly rental loss due to external depreciating influences..... \$ 50
4. Capitalized rental loss: \$50 X 175 (GRM).....\$8,750
5. Ratio of land to building value in the typical neighborhood is 4:1, or building 80%, land 20%.
Loss imputable to the subject building in the present neighborhood
Is: 80% X \$8,750.....\$7,000

Land has been valued by comparison with land subject to the same influence.

WEAKNESSES OF GROSS RENT MULTIPLIER (CAPITALIZATION) METHOD

1. Rent comparables generally not easy to find.
2. GRM's difficult to develop accurately.
3. Small differences in rental estimates will produce substantial difference in depreciation.

For example, if subject rental were increased from \$180 to \$190, a difference of \$1,600 would result (GRM 160 X \$10 = \$1,600)

The apportionment to improvements would be \$1,600 X 80% = \$1,280

Conversely, a difference in the GRM would also produce a widely variant result.

For example, if the GRM is revised from 160 to 170 and if the rental estimate remained at \$180, the subject property value would be \$30,600. The difference between this figure (\$30,600) and the ideal neighborhood comparable property value, \$32,000 would be \$1,400. Using the same property division, i.e., 80% apportioned to improvements, economic obsolescence would amount to (\$1,400 X 80%) or \$1,120.

The difference of a GRM from 160 to 170 results in a reduction of economic obsolescence from \$2,560 to \$1,120 which points to the care that must be taken in the selection of both the GRM and monthly rental estimate.

⁴ The Appraisal of Real Estate, 4th Edition, American Institute of Real Estate Appraisers.

THE ABSTRACTION METHOD USED TO ESTIMATE ACCRUED DEPRECIATION

The abstraction method is used to measure all forms of accrued depreciation, i.e., physical deterioration, functional obsolescence and economic obsolescence. Market transactions or prices paid are evidences of accrued depreciation by buyers and sellers. After several sales of comparable properties have been analyzed, a percentage of accrued depreciation can be developed for the subject property.

Example of Estimating Accrued Depreciation by Abstraction

Estimated reproduction cost of sold <u>dwelling</u>		\$32,600
Sold property sale price	\$29,500	
Estimated land value	<u>4,500</u>	
	\$25,000	
Indicated sale price of dwelling		\$25,000
Indicated total accrued depreciation		\$ 7,600

$$\text{A.D.} = \$7,600 \div \$32,600 = .233\%$$

The Abstraction Method to Estimate Economic Obsolescence

The same procedure is used to estimate economic obsolescence, except that an amount representing physical deterioration and functional obsolescence is deducted from the estimated reproduction cost new. The difference between this depreciation amount and reproduction cost new, less the estimated land value, is an indication of the amount of economic obsolescence in each sold property.

EXAMPLE OF ESTIMATING ECONOMIC OBSOLCENCE BY ABSTRACTION METHOD

Estimated reproduction cost new of sold dwelling		\$32,600
Less physical deterioration and functional obsolescence		<u>- 5,200</u>
Estimated reproduction cost less physical and functional obsolescence		\$27,400
Sale price of property sold	\$29,500	
Less estimated value of land	<u>4,500</u>	
Indicated price paid for dwelling		<u>\$25,000</u>
Indicated economic obsolescence		\$ 2,400

Economic obsolescence = $\$2,400 \div \$32,600$ or .0736% of estimated
Reproduction cost new.

Continued next page

After sampling a sufficient number of properties in this manner, the percentages of loss due to economic obsolescence are correlated to arrive at an indicated amount of economic obsolescence for the subject property, or that which is prevalent in the subject neighborhood.

MEASURE OF ECONOMIC OBSOLESCENCE – CAPITALIZATION METHOD

Another procedure that may be used to measure economic obsolescence is to estimate the annual rental loss of the property being appraised, i.e., the rental loss attributed to influences outside of the property. This loss is capitalized into an amount reflective of these influences and then apportioned between land and improvements. An illustration follows:

Estimated annual rental of the subject property if in optimum physical and functional condition and not affected by outside depreciating forces.	\$62,000
Present rental of subject property	\$56,000
Rental loss due to extrinsic causes	\$ 6,000
Capitalization rate, say 13%	
Rental loss capitalized is: $\$6,000 \div 13\%$	(rounded) \$46,150
Typical neighborhood building to site ratio 85% to 15%	
Loss apportionment to land $\$46,150 \times 15\%$	\$ 6,922.50
Economic obsolescence to building $\$46,150 \times 85\%$	\$39,227.50

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CONCLUSION

The following are some of the questions which appraisers should raise before estimating a loss due to economic obsolescence or Diminished Utility – Locational.

- What are the circumstances behind the economic loss?
- Is the adverse influence particular to the subject?
- Is the influence strong enough to be measurable?
- Is it general to competitive areas?
- Is the influence specific to the subject property or to a few in the immediate neighborhood?
- Is the public aware of these circumstances?
- Is this awareness evident in the market data gathered by the appraiser?
- Is the appraiser viewing the property objectively?
- Is the typical buyer reluctant to act, as evidenced by:
 - A sluggish Market
 - Excessive advertising
 - Foreclosures
 - Abandonment
 - Second mortgages, abundant in number
 - Very low down payments and proportionately high loans
- Are the improvements physically and functionally without defect, in condition new, and how much below reproduction cost are typical buyers willing to pay on the date of the appraisal?

CAUSE AND EFFECT OF PROPERTY TAX BURDEN SHIFTS IN CONNECTICUT

(Essay Winner 1980)

**By Francis G. Callahan, CCMA
Stonington, Assessor**

Any system that does not force a uniform procedure for taxing properties, or any law or set of laws that provides tax exemptions for properties, causes a shift of the tax burden.

The Connecticut property tax system that mandates revaluation every ten years but does not provide for periodic adjustment in recognition of uneven increases or decreases in property values, is a system that has incorporated in it a shift in the tax burden. The Connecticut property tax system also recognizes by historical implementation, with no mandated remedy, that personal property and motor vehicles can be assessed at a higher percentage of market value than real property. This system accepts the proposition that these two segments of taxable property may, and often do, carry a greater percentage of the tax burden when taxes are based on market value.

The term "Connecticut Property Tax System" incorporates all the elements that have a bearing on the local property tax, including, but not limited to:

1. Federal statutes, state statutes, and local ordinances.
2. Federal and state court rulings.
3. Attorney General interpretations and legal opinions.
4. Municipal attorneys' interpretations and opinions.
5. Opinions and interpretations of the Municipal Tax Division of the Office of Policy and Management.
6. Assessor and staff, including:
 - a. Knowledge
 - b. Training
 - c. Interpretation and application of Statutes.
 - d. Security of staff from local political pressures.

All of the above are factors that have a bearing on the local property taxes and carry a major portion of the responsibility for the shifted tax burden. The following pages highlight some of these areas.

The Connecticut General Statutes provide for assessment procedures that allow some properties to be valued by a method that creates values lower than fair market, for example:

1. Connecticut General Statute 12-63, requiring the pricing of farm, forest and open space at current use.
2. Connecticut General Statute 12-72, requiring taxation of certain classes of vessels at values equal to their net earnings.
3. Connecticut General Statute 12-73, provides for assessment on land for municipal sewage disposal at fair valuation for agricultural purposes.

Additional methods for lowering a taxpayer's tax bill by applying exemptions are:

1. Connecticut General Statute 12-97 controls taxes on some timber land by limiting the tax rate to no more than ten mills.
2. Connecticut General Statute 12-81 has some sixty sub-sections of allowable exemptions.
3. Connecticut General Statute 12-91 gives partial exemption to farm machinery and total exemptions to livestock and poultry.

All of the above grant exemptions to certain properties or owners, creating a privileged class of properties or owners, which shifts the property tax burden to those properties unable to qualify for special consideration.

The most glaring example of a statute allowing the transfer of the property tax burden is Public Act 78-256, also known as the "phase in" bill. This bill, by permissive legislation, allows a municipality to phase in the increased assessments on residential property, due to revaluation, over a period of five years. Obviously the revenue not collected from residential property will become the burden of the remaining taxable properties not able to participate in the phase-in.

Beginning with the Connecticut General Statute 12-63 and winding through a maze of tax exemption statutes, the Connecticut legislators have provided the procedures for eliminating, circumventing, or exempting some or ail of the tax burden.

Some tax exemption laws are thought to cause no loss of revenue on the local level, because of the total reimbursement from the State, such as the reimbursement of manufacturing and commercial inventories, but these reimbursements are calculated at 1960 and early 1970 values, and fail to adjust for recent rapid rise in inflation. They also fail to provide reimbursement on inventory of new industries or businesses, consequently increasing the tax burden on local property owners. Other laws providing for total disability, do keep the local mill rate down, but part of the money for these reimbursements come from sales tax and inheritance taxes, that are paid to the state by among others, local taxpayers.

Where the tax burden will fall can also be attributed to what historians call the Law of Unintended Consequences. The Law of Unintended Consequences can be equated with the law of gravity; strong, invisible, and capable of affecting and influencing many areas.

A detailed review of all bills to weed out unwanted results is only capable of eliminating the obvious problems. The implementation and interpretation of the law may find the law being applied in a manner that is foreign to its original intent. A unique example of this may turn out to be the implementing of the new elderly exemption Statute 80-463, which I see as having at least two unintended consequences:

1. The possibility that some elderly, currently receiving elderly benefits under Connecticut General Statutes 12-129 and 12-170, may lose these benefits because their adjusted gross income is \$6,000 or less, qualifying them under the old statutes, but will exceed \$12,000 when they count all their income which will disqualify them under the new statute.

2. The elderly exemption allowed under 80-463 is arrived at by a comparison between the elderly's income and their taxes. Many of the recipients of the elderly exemption will be making more money than the personnel who are administering and processing the applications. An example of this is the staff of the Stonington Assessor's Office, with the exception of the assessor. The salary range for the four girls is \$6, 438 to \$9,281 gross income, with the net income from \$5972 to \$7330. In comparison, an elderly person is allowed to make \$10,000 if single, and \$12, 000 if married, and still qualify for some elderly benefits. I'm sure this is not unique to Stonington and I don't believe that benefactors of exemptions should be making more than those who are working for a living.

Another area of unintended consequences are loopholes in the laws. It appears that the ever-vigilant taxpayer can find legal means to avoid paying taxes, but the additional problem of loopholes is that once it is discovered, word spreads quickly to other taxpayers, and more and more people jump on the bandwagon. Examples could be:

1. Owners of documented boats forming corporations in Delaware to avoid taxes on their boat.
2. Service personnel who own real estate in Connecticut, plan to retire and make Connecticut their home, yet, will claim residency in another State in order to avoid payment of personal property and motor vehicle taxes.

Another area that affects tax burdens is the annual changes in the property tax laws. These changes are like ripples on the water that are constantly moving, touching, and affecting the tax burden in a way that can neither be predicted or fathomed.

The legislators, in an attempt to correct some of the mish-mash of tax laws, passed PA 80-321 that creates a commission to study and recommend changes that would revitalize our taxing procedure and produce a more equitable system of taxation. The solutions for some of the above problems are obviously not simple, and supporters of change will encounter opposition from a variety of special interest groups who sometimes view their own problems as a life and death struggle.

I believe that all proposed legislation for the granting of exemptions should be submitted with an impact study clearly showing where replacement revenue will come from if the exemption is granted. The requirement of an impact study may help to curtail last minute bills or tax rider onto other bills. These last minute bills and riders can be particularly irresponsible in shifting tax burdens to unsuspecting taxpayers.

This paper is written with the belief that the property tax is a proper vehicle for financing local government because it is the one tax over which some degree of control can be exercised by the residents of municipalities, even though the control they can exercise is limited and controlled by federal and state statutes. All of the items listed under "Connecticut Property Tax System" should be analyzed to measure the effect they have on property taxes with major consideration being given to those items that can be controlled through legislation.

This paper is also written with the hope that people will give pause and thought to the problem of shifting tax burdens, and is not intended to paint all exemptions as wrong or in need of revision. A strong case can be made for the protection of our elderly from taxation that infringes on their need for the necessities and amenities of life, or for laws that protect and preserve our natural resources. However, in a maze of statutes affecting property taxes, there are areas that should be closely scrutinized for elimination, simplification, or clarification, with the stated goal, of rebuilding the confidence of the public in the fairness of their taxation laws.

THE CONNECTICUT REVALUATION PROCESS

(Essay Winner 1981)

By Marsha L. Standish, CCMA

Assessment Advisor, Office of Policy and Management

The revaluation process is a method of mass appraisal of properties in a uniform, equitable manner so that each taxpayer pays his share towards the services and amenities that are provided by his town and city. This process may result in increased taxes for some and decreased taxes for others, but regardless of the shift in the tax burden the revaluation should be handled in an impartial, well-planned, and professionally executed manner.

Professionalism in the revaluation process is reflected in a well-publicized program. Taxpayers need to understand the causes and effects of the revaluation, especially during the inflationary times. Inflation is the major influencing factor that necessitates the revaluation. Taxpayers must also have their question answered in the early stages of the revaluation process in order to gain their support and cooperation. Special town meetings are beneficial as they are able to reach and educate a large number of taxpayers in a short period of time. The assessor should make use of the news media throughout the entire process by keeping the public informed on the progress of the revaluation.

Professionalism is not only vital in the education process of the revaluation, but also in the preparation of materials to be used and included in the contract. This includes statistical data, selection of cards, and methods of accomplishing the revaluation.

Collection of data is extremely important in the preparation of an effective contract that will result in an effective revaluation. An accurate count of all dwellings and parcels of land is essential. Further stratification should be made into categories of personal and real property, taxable and nontaxable property, and subcategories comprising residential, industrial, and commercial. The percentage or total number of properties that must be visually inspected should be determined and included in the contract requirements.

Selection of cards that will be used for the recording of the new revaluated assessments should be structured to meet the needs of each municipality as well as state mandated requirements. Size, color, types and quality of cards should be well planned to insure that the information could be easily understood and assessable to the public. These cards must withstand constant use as they are used daily by the office staff and the public.

The three methods in which a revaluation may be conducted are by the assessors and his staff; an outside revaluation firm, which is certified by the State of Connecticut; or a combination of the two. Selection is based upon the monies available and technical experience needed to complete the revaluation.

Not only is the selection of a revaluation company consequential, but the personnel who will be its representatives should also be chosen with care. As representatives of the company participating in the collection of data, they should be polite in dealing with the public. If for some reason they are unable to cope with the public, they should either undergo special training or be removed from the town immediately. At the time a revaluation is in progress, great tension exists among taxpayers with the fear of increased tax burdens, so that any taxpayer should be able to have his question answered by a member of the revaluation staff in a respectful manner or be referred to the proper source for an answer. The contract should specify these options so that they may be implemented while the revaluation is in progress.

The revaluation company should be required to supply the assessor with monthly progress reports. Upon receipts of each report the assessor should make random field inspections to properties that have been visually inspected by the staff of the revaluation company. This is done to establish the lister's accuracy in measuring and listing of the properties. If the progress report does not meet the requirements set forth in the contract, the monies due the company should be withheld until such time as the work is either completed or redone according to the specifications of the contract.

After all of the data has been collected, the cards selected, the method of revaluation chosen, and the monies appropriated, then the revaluation contract should be drawn. Bonding and insurance should also be included in the contract to cover all costs of the revaluation in order to protect the interest of the town and taxpayers. The contract is the most important means of carrying out the revaluation, and as such must be explicit and easily understood by both the town and the revaluation company. Upon completion of the contract, copies should be mailed to certified revaluation companies for submittal of their bid. Upon receipt of the bids, the town should select a company promptly so that the company is able to begin according to the terms of the contract.

After the town or city has been measuring and listing and segregated into categories of property required, it is time to prepare cost schedules that will reflect Market values as of October 1st, which is the assessment date in the State of Connecticut. All the components of the dwelling must be valued based upon local cost. This information is obtained through lumber, plumbing and electric supply companies located in the general region.

A sales study must be implemented for the ten years immediately prior to the effective date of the revaluation. This is vital in the determination of the market value in each classification of property. The State of Connecticut has available to its 169 towns and cities a study of all transfers located within the town or city, starting with the studies' inception in 1977 that may be used for the sales study.

All of the values are then applied to the field cards in a uniform manner. Notices are then mailed to all property owners listing new and old values.

Upon receipt of his new assessment, the taxpayer has available various stages of appeal. The four right of appeal which are allowed to individual taxpayers in the State of Connecticut are the revaluation company, the assessor, the Board of Tax Review, and the Superior Court, respectively. During the month of December prior to Christmas is the most appropriate time to review assessments with the revaluation company. If the revaluation company is unable to satisfy the taxpayer, the reviewer or supervisor of the firm should refer him to the assessor. This allows ample time for the assessor to review the complaint and to complete his duties by January 31st. The next step in the appeal process is to appear before the board of tax review. In accordance with state law the board is required to hold meetings during the month of February. This is a non-partisan board, which has the authority to change assessment values that have been set by the local assessor. Taxpayers must appeal in person or have a representative appear in their place. The last step in the appeal process is with the court system. This is usually the most costly and should be used only after all other options have been exhausted. Not only is the court system the final appeal, but the losses to either the taxpayer or to the town may be devastating.

The changes as a result of any adjustments due to the appeal process must be reflected on all the assessors' records. These final figures in the revaluation process should result in accurate values, field cards, and summary cards.

As a result of the revaluation process, property values should be at equitable levels. Another factor resulting from the revaluation is the redistribution of the tax burden. This redistribution and equalizing action tends to shift the tax burden among neighborhoods, and the various classes of property. The tax mill rate is derived at by dividing the town or city budget into the total assessed value of all property, known as the grand levy. This mill rate is usually lowered as a result of increased property values, which values comprise a grand list that is substantially increased.

HOW SHALL WE SPELL RELIEF?

(Essay Winner 1982)

Charles G. Agli, Jr., CCMA

New Britain, Assistant City Assessor

In January 1983, another tax study commission will report to the General Assembly of the State of Connecticut. The Final Report of the Property Tax Study Commission of 1981 has just begun to collect dust on the shelf of the Finance Committee this year, but it was not passed by the House of Representatives.

One might conclude that the tax issue is extremely fascinating to study or that the burden of taxation has reached a pressure point and the outcry will demand a response. Far be it from me to declare that taxes are not an exciting research topic. However, I think the reason for so much current scrutinization of taxation is that the dollars that are being paid for taxes are measured by bigger numbers than ever before. One cannot miss the fact that we pay increasing amounts in taxes.

The subject of this paper is the Final Report of the Property Tax Study Commission of 1981. Faced with the prospect of continued study and investigation, assessors must remain aware of the statements made, the issues raised and the conclusions drawn about the tax with which we have so crucial function. This report certainly raised many issues, made many statements and drew several conclusions. However, there was significant lack of agreement in defining the nature of the problem, and therefore, the type of relief that could be prescribed.

The format of the report may be summarized as follows:

1. Overview of property taxation in general
2. Assessment practice and quality within Connecticut
3. The nature of the property tax burden in Connecticut
4. List and analysis of approaches to property tax relief
5. The majority opinion of committee findings and recommendations
6. Statements by commission members with a point of view different from the majority opinion.

I do not intend to explore all of these sections of the report. With respect to assessment quality, the reports states that Connecticut ranked first among all fifty states in assessment quality. However, within the state, assessment quality varies considerably among municipalities and the commission claims there is need for further improvement. The focus of my comments will be the list of approaches to lessen the burden of the property tax and the commission's analysis of the appropriateness of each of these possible solutions.

The committee defined property tax relief as a reduction of the property tax burden. Relief may be general, or may be targeted to specific groups, such as homeowners. Any relief program must be consistent with need and the magnitude of the need. The committee also universally agreed to two essential conclusions. First, by any measure, property tax burdens are unusually high in Connecticut. Second, state aid to municipalities is inadequate. There is no question that the

report conveys the message that property tax relief is needed. The question is, “How shall we spell RELIEF?”

If a person is sick, a doctor will not prescribe until he knows what hurts or what the specific illness is. The study commission knew that property taxes hurt but they could not totally agree where it hurt, who it hurt or how badly it hurt. Their list of drugs or property tax relief measures was quite comprehensive. The programs of relief were presented in two groups: targeted programs and general programs. Each was analyzed and recommendations were made.

TARGETED PROPERTY TAX RELIEF PROGRAMS

Homestead Exemptions. A homestead exemption designed to provide property tax relief to homeowners. A uniform exemption amount is deducted from the assessed value of each owner-occupied residential property containing a specified number of units or less. Taxes are then computed on the net assessment. This type of relief program is at the expense of all other types of property owners. The reduction of the grand list due to homestead exemptions would be compensated for by a higher mill rate. The magnitude of the relief is dependent in part on the extent of non-eligible taxable property. Also, the lower valued eligible properties will benefit the most. This program is considered somewhat progressive.

A second form of homestead exemption was also considered. This type did not involve a flat exemption amount but a percentage of the assessed value. Benefits would be more proportional to the amount of the assessment. The higher the assessed value of the eligible property the greater the benefit. This program is considered less progressive than the flat amount exemption.

Supported by numerous charts, tables and graphs supplied by commission hired consultants, the majority concluded that the residential share of the property tax burden had remained constant over the past 20 years. Reported shifts in burden on to residential property never took place. The majority added that residential property as a class may bear an increased portion of the burden immediately following revaluation, but within a few years the situation is remedied. Therefore, property tax relief directed specifically toward residential property is not warranted. The homestead exemption was not recommended. However, if the legislature selected such a program, the flat amount exemption was more progressive and preferable.

Classification. A classification program is one in which different classes of property are legally assessed at different proportions of market value. (A variation could be that all properties are assessed at the same percentage of value but varied mill rates are applied to the different classes.) Typically, residential property and open land is favored at the expense of the commercial, industrial and other classes. It would require a change in mill rate unless the reduced assessments of all reduced classes are exactly offset by the increased assessments of all increased classes.

The proportion of the benefits depends on the value of property within a class in each community and the current assessment ratios among classes of property. What classes, how many classes and how much burden are political questions that can be difficult to answer. The majority opinion of the commission was that classification is the least desirable of the alternatives directed toward residential property tax relief.

Circuit Breaker. A residential circuit-breaker program provides property tax credit directly to homeowners in proportion to the household's ability to pay property tax and provides rent and utility credits directly to renters in proportion to the apartment occupant's ability to pay rent and utility expenses. This relief program would extend the present circuit-breaker program to all state residents not just the elderly. It would be state funded. The report notes that seven states and Washington, D.C. have circuit-breaker programs for renters and homeowners of all ages. The report claims that this expansion of the circuit-breaker program would have increased state cost by about \$120,000,000.

The commission concludes that this program addresses ability to pay. The cost is borne by the state; therefore, the property tax on non-residential properties is not increased. The assessment process is not affected. The report emphasizes that circuit-breaker eligibility verification should not be the responsibility of the local assessor. The assessor needs more time to perform the proper function of maintaining updated assessments of all property subject to taxation. The commission recommends this relief measure and proposes that administrative responsibility for verification of eligibility of participants should be centralized at the state level. However, this form of relief does not include non-residential property and the report implies more relief will be necessary.

GENERAL PROPERTY TAX RELIEF PROGRAMS

Eliminate the property tax on motor vehicles. The proposal would eliminate entirely any tax or road-use fee on motor vehicles. The reasoning is that motor vehicles take a disproportionate amount of the assessor's time and effort in relation to the amount of revenue generated. It is felt that the elimination of this type of taxation will enable assessors to provide more time to improve real property assessments.

This program would affect most classes of taxpayers. However, the loss in the grand list will result in an increased mill rate and higher taxes for all remaining taxpayers. It is difficult to measure what taxpayers would benefit most from the elimination of motor vehicle taxes. In general, they concluded that the elimination of this tax would afford only limited possibilities for overall tax relief.

Two percent effective property tax rate cap. An effective tax rate cap specifies a maximum percentage of market value that a property owner would have to pay in taxes. It is one way of imposing a limit on local spending and taxes. Another measure, limits on expenditure increases, is dismissed as the most restrictive financial constraint on a municipality and it may not guarantee property tax relief. On the other hand, a two percent effective tax rate in Connecticut would affect less than 30 towns and cities. However, the revenue lost in the form of tax relief would have to be obtained from other sources or local services would have to be cut. The commission concludes that a tax cap and other forms of spending or tax limits interfere with local autonomy.

Increase State Urban Problems Grant. The commission considered increased funding of existing state aid programs to local communities. Such an increase in state aid programs would benefit all

classes of taxable property within a community in proportion to their assessed value. The larger the assessment the greater the relief. However, the current state aid programs have to be analyzed to determine which communities would benefit most from increased funding.

Urban Problem Grant distribution formula measures need according to population, population density, number of public housing units, and per capita income. This program was designed to distribute more aid to cities rather than rural or suburban areas. It favors lower income communities as well. The report notes that the state would have to spend \$265,000,000 additional to present cost to reduce effective tax rates in all communities to two percent or less.

Fully funded payments in lieu of taxes on Hospitals and Colleges. This full funding of the state reimbursement for loss of taxes due to exemptions for general hospitals and private colleges would of course most affect areas with concentrations of such institutions. Full reimbursement was estimated to cost an additional \$30,000,000. Benefits would be distributed primarily to urban areas and low-income areas.

Fully funded payment in lieu of taxes on state-owned property. This state aid program benefits areas with concentrations of state-owned property. If communities were reimbursed fully for taxes lost to state property exemptions, the cost would be an additional \$32,250,000. Although the benefits would be realized primarily in urban areas and low-income areas, unless a maximum grant were established, Mansfield would gain more additional revenue than would be required by current expenditures.

Fully Funded Education Equalization Grants. This tax relief scheme calculates the effect of full funding of the 1979 Guaranteed Tax Base Formula. It would result in additional state cost of \$174,000,000. The committee noted that although this program is designed to stimulate local expenditure on public education, this state aid does provide the community the option of reducing property taxes by substituting state funds for local funds to finance education. The GTB formula favors poorer communities and urban areas. It considers per capita market value of property, per capita income, number of pupils receiving aid through the aid to families with dependent children program, local property tax wealth and net current local expenditures on education per capita. The committee concluded that full funding of this program provided the potential for the greatest overall property tax relief.

The report made several recommendations in order to accomplish general property tax relief in Connecticut. It stated that even if property tax burden in Connecticut were relatively low, in equity, the state should fully fund payments in lieu of tax grants for state-owned property, general hospitals and private colleges. Also, although the full funding of GTB offers greater potential for general relief, it recommended that a new general equalizing grant program be developed by the state to reduce reliance on local taxes and to permit increased aid to those lower income municipalities with an inadequate tax base.

The commission, through this report, made several other recommendations with respect to the administration of the property tax and the functions of the Municipal Division of the Office of Policy and Management, assessors, and boards of tax review. They cannot all be reviewed here.

It must be noted that the commission strongly favored more frequent revaluations and assessments at 100 percent of market value.

I will conclude by addressing the fact that not all findings, conclusions and recommendations stated in this report were acceptable to all members of the commission. There were members who felt that property tax relief designed to relieve homeowner burden was essential. They felt there had been an obvious shift of property tax burden to the homeowner. Committee members were cognizant of the impression that their division would make on the General Assembly. Substantial change to our property tax system, not “quick fixes” such as the phase-in, will need substantial and broad support. The discussion, study and push for legislative action is sure to continue. Assessors must be diligent and alert not to be overlooked in this process. We can help to answer the still open question, “How shall we spell RELIEF?”

ARE YOU SURE YOU WANT TO GO TO COURT

(Essay Winner 1984)

William J. Coughlin, Jr., CCMA

Rocky Hill, Assessor

Every Connecticut assessor has been exposed to, or has had related to him, an interesting court experience. The courtroom, the judge, the witnesses, the testimony, the attorneys, or the case itself have been the sources of stories told many times over.

An area that has been greatly ignored by some over the years is the preparation before court proceedings actually begin. A great many court cases have been lost by towns before they ever enter the courthouse. It is this pre-trial time period that we wish to examine.

With few exceptions the town clerk is the person who receives the summons on behalf of the Town, and notifies the assessor of the action.

The assessor should immediately notify certain people that the town is being sued. That notification should be in the form of a memo to the chief administrative officer, with copies to the legal officer and the director of finance, (or Chairman of the Board of Finance). For the administrative officer, it is a case of his being informed by a member of his staff rather than learning of the suit through the news media. No manager, mayor, or first selectman should learn of this type of action from the press.

The legal officer should be given a copy of the citation so that he may immediately review it for any defects in wording, dates, amounts – ie, any of the technicalities that would prove the citation is faulty. He also has legal responsibilities to the court regarding requirements for answering.

The Chairman of the Board of Finance, or the finance director, should certainly be made aware of what the fiscal impact may be. The court cost to the town for an item that is seldom budgeted can cause problems. Even in the case of a stipulation costs to the town may be more than \$500. The taxpayer under appeal also has the right to withhold 25% of their tax payment (10% if the assessment is \$500,000 or more) until a decision has been rendered. If this taxpayer happens to be the biggest taxpayer in your town, this could cause serious cash flow problems for the community. This, in fact, has happened to more than one community during the past few years.

The assessor should immediately start a file on the property being appealed. Every bit of information he can glean from any source should be placed in this file. A copy of the street card, and previous street cards if this is an action caused by revaluation, should be placed in the file. A copy of the summary card, copies of maps of the property, plot plans and copies of all building permits, if they're available, for the past ten years. A copy of the most recent deed should be inserted. A copy of the Board of Tax Review petition together with notice of decision from the BTR to the owner. If there has been a change in the use of the property, of a zoning change, you should note that and place it in the file. Is it income property and do you have information regarding occupancy, rental schedules, or are there vacancies in like properties in town? If the appeal was prompted by an increase in the assessment, also place a copy of your increase notice

in the file. You should have a complete history of the property going back at least 10 years. You should know as much, if not more, about the property than the people who own it.

As the time period between notice of the suit and the actual court date can be two years or longer, this file retains information that can easily be overlooked or forgotten. During this same period, there can be changes in attorneys, or even assessors, that can complicate the entire process. A complete file, started early, can be invaluable.

The assessor should initially review all the information that he has relative to the current assessment to seek out any errors that may be clerical in nature. He should review the assessment very objectively realizing that he is not infallible and could be in error in his opinion of value of the property. Too often, a haughty attitude on the part of the assessor leads to embarrassment and disappointment in actual court proceedings. An assessor that will not change the assessment “come hell or high water” may end up drowning him self and the town.

The assessor should also give serious consideration to the cost of court proceedings. Except for some of the larger cities and certain small towns, the retainer for the town attorney does not include tax appeals. When the potential cost of attorneys and appraisers are totaled, it may be to your advantage to agree to a stipulation beneficial to all parties before you invest a lot of town money.

Over the years assessors have been critical of the entire court system: from the performance of their own town attorney, and the attitude of the taxpayer’s attorney, to the lack of attention (and knowledge) by the judge. Usually these grumblings by the assessor are agitated by court decisions that consistently favor the taxpayer.

An honest appraisal of the court system would disclose many reasons for what we assessors consider shortcomings. The first, and most common complaint is with the lack of preparation by the attorney representing the town.

Some town attorney appointments could almost be considered honorary in nature – a prestige position with very little financial remuneration. If they are less than enthusiastic about a tax appeal case, it is understandable.

Probably the biggest reason for lack of preparation, to the satisfaction of the assessor, is the infrequent number of times the average attorney is called upon to represent either side of a tax appeal case. It is hardly an area to specialize in. Help by the assessor is going to be beneficial to all parties.

Ideally the assessor and the town attorney should meet a minimum of three times before any court appearance.

The first meeting would be to review the assessor’s file on the property. How strong is the taxpayer’s case? If forced to settle, what is the bottom line – how much of an assessment reduction can you live with? The assessor should be completely honest with the town attorney;

you are wholly dependent on him. If this is a revaluation appeal, be certain the company representative is present at all pre-trial meetings.

Sometimes after the first meeting, a second meeting is arranged between the appellant and his attorney, and the assessor and his attorney. This meeting usually discloses exactly how much of a reduction the taxpayer is seeking – and most importantly – why? Is he basing value on market, and you have used income? Does the taxpayer divulge an income and expense statement that changes your opinion of value drastically? After this meeting the attorney and the assessor may agree that settlement is the best avenue to pursue; or they may believe that to go forward with court action is most advantageous to the town.

If after the first or second meeting it is determined that you are going to proceed with the court action, you should also determine whether you are going to use an outside appraiser, use the revaluation company, or do it yourself. Are you going to recommend a motion for disclosure and what questions are you going to include? If the taxpayer has commissioned an appraisal report, it is pretty certain he is going to see the appeal to the end.

The last pre – trial meeting could be considered a dress rehearsal. You attempt to cover all the areas the assessor may be questioned on. A recommended line of questioning should be established that the taxpayer's witness (es) will be questioned on. If you are using an appraiser, he should be present at this meeting to establish what he will be questioned on and what the assessor will be questioned on.

And now court! If you have done a good job of preparation, it is unlikely that you will be leaving the court house muttering “we should have said..... .” Remember, you can never be over – prepared.

THE SELECTION OF A CAMA SYSTEM

(Essay Winner 1985)

Catherine Oleksiw, CCMA

Hartford, Senior Assessment Technician

Over the span of the last 10 years, the assessment profession has experienced the impact of the computerization of information management and data analysis. In this environment of bits and bytes, a sophistication in the manipulation of data has evolved within the context of the standard methods of assessing property for tax purposes. This level of sophistication incorporated within various modeling techniques produced the concept of computerized-assisted mass appraisal (CAMA), and opened up the computer frontier to every assessor who was able and willing to exchange the manual mode for the electronic. Although still evolving as an effective tool within the assessment field, CAMA provides the power to manage and analyze a database of parcels efficiently and accurately, with edit checks and security functions usually built into the system.

Although the average assessor currently has the general expertise and experience necessary to value property within a jurisdiction, this knowledge base may eventually prove limiting to the assessor in employing these new tools of the trade in their highest and best use. A knowledge of computers, or at least some awareness of the complexities of a computerized system, may soon be standard material in the elementary education of the freshman assessor. Based on this evolving reality within the assessment profession, the assessor today must acknowledge the current demands on him or her to address the computer and the CAMA system as a viable and useful tool in producing final values. In order to meet this current demand for acknowledging the potential of a CAMA system, the assessor logically strives to find a system that both provides the necessary components for efficient data entry and edition, and analysis, and allows for easy understandable access for the computer initiate. In respect to easy system access, the selection of the right CAMA system will determine the success or failure of its implementation. A system's capabilities should, to some degree, reflect the capabilities of the staff and other available resources in actually using the system.

In selecting a CAMA system, a preliminary wish list developed by the entire staff, ideally after some preliminary introduction to computer basics has occurred and the roles for the upcoming implementation have been loosely defined, is invaluable as an informal measure of the minimal degree of user-friendliness desired by the staff for their introduction to the system. Although not all staff members could feasibly make a constructive contribution in the process of selecting a system, at least one greenhorn in computerized valuation or of computer basics would be a worthy addition to any selection committee. Functioning mainly as a control to minimize bias, the initiate could best test the user-friendliness of the specific system being examined. Although CAMA experts surpass the average CAMA user in analyzing the models and functions available on the various systems, they are probably not the prime candidates for determining the capability of the system in addressing the elementary user's needs.

Basically, the majority of variables considered by the assessor in the selection of a CAMA system center on the software package itself and not on the hardware that will drive it. Generally accepted as being the most cost effective, a generic software package offers more flexibility for the dollar than a tailor-made system that is configured to the exact specifications of the

assessor's office. Although both types of systems may offer similar functions, the tailor-made packager is more limited in terms of the degree to which the assessor can make unanticipated changes and additions to the data and file once the system is purchased.

If minimal expertise is available and staff training allowances are constrained by a tight budget, the tailor-made system may provide an easy answer to an immediate problem. The long-term benefits, however, may be short lived. All and any changes or enhancements, which are often not guaranteed unless explicitly written into the service contract, are made or added to the system at the dictates of the vendor. Often these enhancements reflect the demands made by an entire pool of buyers or lessees, and do not necessarily address the specific computer needs of one individual assessor. Still, if the assessor and the staff are able to initially project their needs for the future both in terms of software flexibility and hardware capacity, then the tailor-made system may be adequate in satisfying the assessor's desire for a CAMA system. In this case, the flexibility of the generic system would be traded for the structured and instantaneous delivery of the tailor-made system. The trend in recent years, however, has been to go with a generic system, and pinch-hit as the necessary skills are acquired through the duration of the implementation and the on-going use of the system.

In any case, several questions arise in the examination of any software package for prospective purchase or lease consideration. How are modifications made to the data? How are the files structured internally; can they be joined, deleted, or modified? What kind of screen capabilities are available for future enhancements to the system, both at the data level, and the report generation level? Can the screen be redesigned to allow for new variables? How much of the data is hard coded, and how will or can the existing files already in use in the assessor's office load into the system? If it runs on a smaller computer, how is the system linked to the mainframe, and what limitations does the system have in terms of hardware application? Are separate sales files and owner history files programmatically generated by the system? Are "Help" screens available, and can additional screens be custom designed for documenting any unique in-house coding of data?

Is there a library function maintaining a list of all functions and programs available in the system? What statistical functions, such as the coefficient of dispersion, the median, and the band of confidence are available? How many different variables, such as the parcel number, street address, or owner can be keyed in the accessing of information? Does the system interactively edit a variable whenever it may reside in the database and on the screens? How extensive is the sorting function, if any, in generating reports or lists of parcels by owner or street or use code? Also, in terms of editing, what hard edit functions that cannot be altered by the user are built into the system, and what soft edits are allowed? Is a sketch function available, and how easy is it to understand and manipulate?

What are the security functions, and can access to data display and data entry be independently monitored? Also, if the CAMA system only values residential property, how is data merged with the commercial and remaining property values into on data base for any meaningful report generation and data management? Does the system provide a function for spooling off files for eventual merger with a larger file, or will this function be assumed by an independent data base management system? What type of training is available by the vendor for the assessor's staff,

and for the data processing staff if the system will reside on a mainframe? Also, in respect to the degree of user-friendliness of the system, the less user-friendly the system is, the greater the degree of training needed. With this in mind, more of the revaluation dollars may be expended on training.

Additional considerations in the selection of a CAMA system includes any contractual factors, such as the option to buy future enhancements to the system once any new developments are completed, and also clauses for maintenance for both hardware and software. Another factor invaluable in rating a CAMA system is the success with which other clients have used the system, and whether they have maintained the system through not one revaluation, but two. This type of feedback scares the so-called skeletons out of the closet and functions as an introduction to the quirks of the system, besides illustrating the power and complexity of the system as an analytical and operational tool within the assessor's office.

These issues principally address the software capabilities of the CAMA system itself, although the area of hardware is naturally of critical importance in the selection of a system. If both hardware and software will be purchased in the implementation of the new CAMA system, the basic ground rule in the selection process for the system is to first direct attention to the capabilities of the software and its degree of user friendliness before deciding on the hardware. Reflecting the ideal decision making process, the capabilities of the software should take precedence over the type of hardware being examined and considered in the selection process, even if budgetary constraints and the current operating system may influence the final vote. Where a certain level of hardware capability has been predetermined to be adequate, such as the use of a personal or microcomputer in a smaller jurisdiction, attention might focus on those software packages compatible with that level of hardware. Conversely, in a larger jurisdiction, a mainframe computer may already be operational, putting a limit on the scope of software packages to be even considered.

Another issue that will weigh on the final decision is where responsibility for the system lies. If the system is to be shared by several different departments, some policy identifying the primary owner and keeper of the system's software should be enacted prior to the process. In the final analysis, considering all the factors, the decision to purchase a specific CAMA system will be the product of weighing the importance of the software's user-friendliness, level of model-generating sophistication, and the interpretability of data, with the hardware and software compatibility, and the ability to link the mainframe with any smaller computer, with the training components available both for the software and the hardware, and finally, with budgetary constraints.

COMMERCIAL LAND VALUATION – AN ALTERNATIVE

(Essay Winner 1986)

Kenneth C. Carvell, II, CCMA

Westport, Assessor

When it comes to difficult assessment problems, the valuation of commercial property may be the toughest. The job is made all the tougher by a statutory requirement that land and building shall be valued separately. Consider for a moment the investor, or for that matter, any purchaser of property buying a package made up of land and building. I haven't met a one yet who consciously made a decision of how much for the land, and how much for the buildings. This type of thinking doesn't exist in the real world of market activity. Yet, assessors, by some divine means, must come up with rational estimates of value for both. Sales of vacant land you say? Sounds good if you don't think about it too deeply. More often than not, the choice is to run numbers in a consistent fashion so that it can be said all were treated equally. They may be equal, but some will surely be more equal than others. The next step is to fudge the building values so that the final figures come out to what we thought it was worth in the first place. Doesn't sound very scientific, does it? Of course, I know this never happened in your town. Humor me anyway; let's just suppose there is such a place. You know, the old front foot, square foot, sliding estimate approach, any similarity to reality being purely coincidental.

So for that one assessor out there who may or may not exist, I am dedicating this explanation of how the commercial properties were valued in Westport at the last revaluation.

There are two terms that we need to know, if this explanation is to be coherent. One is floor area ratio, hereafter known a FAR. This is a planning and zoning term, and part of the zoning regulations in Westport. Since I don't think they were the inventor, you may have already heard of it. Anyway, the FAR determines the amount of building coverage allowable for a given size parcel of land. Coverage is calculated by dividing square footage of the building by the number of square feet of land on which it is sited. The FAR is expressed as a percentage. The other term or relevant piece of information is that in Westport vacant commercial land is bought and sold on the basis of "dollars per square foot of achievable building." The brighter reader sees the connection right away. The rest of you, please be patient with me.

In late 1983, the Planning and Zoning Commission of Westport reduced the FAR from 35% to 25%. For those without a calculator, that meant owners of vacant land saw a 28% decrease in the potential building size. Needless to say, they were pretty upset by the turn of events. Let's have a look at an example that will explain what the ruckus was all about.

An owner of a vacant parcel of 40,000 square feet could develop a 14,000 square foot building at the 35% FAR. Land typically sold for \$45 per square foot of achievable building, so the land was worth \$630,000. After a reduction of the FAR to 25%, it appeared to be worth \$450,000, if the same \$45 is applied to the now 10,000 square feet of achievable building. On the other hand, properties which were improved already with buildings, most of which were non-conforming at the 35% FAR, were now even further out of conformance with the zoning regulations. My initial feelings on the change in FAR were that the market would adjust with higher prices per square foot of achievable building. Property owners who felt they had been ripped off were not too

interested in what my “feelings” were. Well, the adjustment did occur, and a lot quicker than I had predicted. Not only that, but the other part of my forecast came true. My “feeling” was that when the dust settled, we would see higher prices for existing, non-conforming properties. Sure enough, investors began to buy into the shortage very heavily. Buildings in good condition with a high degree of non-conformity became a hot item in Westport, and why not – none of them could ever be built again because of the FAR requirement.

Given this set of circumstances, the time tested valuation techniques used in most revaluations were not the least bit appropriate. What we needed was a valuation method that would reflect local market activity, particularly addressing the varying degree of non-conformity that existed.

During the formative stages of the process, I spoke at length with investors and appraisers whose opinions I respected. These interviews were informal and served to confirm the direction we were heading in.

The final product of all this brainstorming was to multiply the number of square feet in the parcel by a Base Dollar Amount, then multiply by an Adjustment Factor, the result being land value before adjustment for influences such as topography, etc. So far, this probably doesn’t sound very revolutionary, but it is the source of the components which I hope you will find intriguing.

The Base Dollar Amount reflects market preference for different locations throughout the commercial district. The best indication of preference for one location over another is the level of rent achievable for properties of similar character. The better the location, the higher the Base Dollar Amount and higher the value. Base Dollar Amounts varied from \$30 to \$90, so you can see there is a broad choice of space to choose from in Westport.

The Adjustment Factor considers the percentage of building coverage for each property on an individual basis, and adjusts value accordingly. Reference to the table provided shows the Adjustment Factor used for various percentages of coverage. Vacant parcels receive the lowest factor of .375.

One of the best examples available to demonstrate application of the method is comparison of a vacant 6,000 square foot parcel to a neighboring parcel of equivalent size which provides site for a five story, 30,000 square foot office building.

The 25% FAR limits the vacant parcel to 1,500 square feet of development. Assuming a Base Dollar Amount of \$50 for the area, its value is calculated in the following manner.

<u>LAND SIZE</u>	<u>BASE DOLLAR AMOUNT</u>
6,000 SQ. FT.	X \$50.00
<u>ADJ. FACTOR</u>	<u>LAND VALUE</u>
X .375	= \$112,500

The parcel with the 30,000 sq. ft. office building on it is calculated after the percentage of coverage is determined. In this case, it is 500%

<u>LAND SIZE</u>	<u>BASE DOLLAR AMOUNT</u>
6,000 SQ. FT.	X \$50.00
<u>ADJ. FACTOR</u>	<u>LAND VALUE</u>
X 3.73	= \$1,119,000

Each commercial property was handled by the same process, and through the resulting values may seem disturbing, the benefits of ownership have been measured realistically. The office building in the example did in fact sell for \$4,500,000. Deduction of the calculated land value of \$1,119,000 from sales price shows a building value of \$3,381,000 – not out of line with the value generated by our building schedule.

This approach was born out of the need to measure high land values which were being distorted by local zoning practices. If it would work anywhere else in the world, I couldn't say, but I do know that it works in Westport.

The message is that times change, and methods of valuation must change. We have to make those changes by finding out what drives the market in our jurisdiction, then put it to work in our valuation process.

Special thanks to David Valente, who contributed greatly to the development of this method.

See Commercial Land Table for Westport, Connecticut, next page

COMMERCIAL LAND TABLE

WESTPORT, CT.

BUILDING SIZE ÷ LAND SIZE = PCT. COVERAGE

<u>PCT. COVERAGE</u>	<u>ADJ. FACTOR</u>	<u>PCT. COVERAGE</u>	<u>ADJ. FACTOR</u>	<u>PCT. COVERAGE</u>	<u>ADJ. FACTOR</u>
25-27	.375	105-107	1.0225	351-360	2.75
28-30	.405	108-110	1.045	361-370	2.82
31-33	.4375	111-120	1.07	371-380	2.89
34-36	.465	121-130	1.14	381-390	2.96
37-39	.490	131-140	1.21	391-400	3.03
40-42	.525	141-150	1.28	401-410	3.10
43-45	.555	151-160	1.35	411-420	3.17
46-48	.585	161-170	1.42	421-430	3.24
49-51	.615	171-180	1.49	431-440	3.31
52-54	.640	181-190	1.56	441-450	3.38
55-57	.6625	191-200	1.63	451-460	3.45
58-60	.685	201-210	1.70	461-470	3.52
61-63	.7075	211-220	1.77	471-480	3.59
64-66	.730	221-230	1.84	481-490	3.66
67-69	.7525	231-240	1.91	491-500	3.73
70-72	.775	241-250	1.98	501-510	3.80
73-75	.7975	251-260	2.05	511-520	3.87
76-78	.820	261-270	2.12	521-530	3.94
79-81	.8425	271-280	2.19	531-540	4.01
82-84	.865	281-290	2.26	541-550	4.08
85-87	.8875	291-300	2.33	551-560	4.15
88-90	.910	301-310	2.40	561-570	4.22
91-93	.9325	311-320	2.47	571-580	4.29
94-96	.955	321-330	2.54	581-590	4.36
97-99	.9775	331-340	2.61	591-600	4.43
100-104	1.000	341-350	2.68		

Market evidence suggests that parcels of similar size, shape, and location may have widely differing values based on existing nonconforming use as opposed to maximum permitted use.

Since the value of land is derived from its ability to be used, greater or lesser legal use affects its contribution to the generation of income/value.

The above table is designed to convert actual or potential lot covering to a factor which weighs the value contribution of land on an economic basis.

REVALUATION PLANNING AND IMPLEMENTATION

(Essay Winner 1987)

By Robert Hartzell, Jr., CCMA II

Hartford, Assessor

Traditionally, the mere mention of the word “revaluation” conjured up images of increased workload, confrontation with administration on budget or politics, public relations problems with taxpayers, public interest groups, and the press. Additional problems associated with modern CAMA revaluations include dealing with information systems with new and strange concepts and sophisticated math, and replacing familiar card or data systems with new and more complex systems.

Computer Assisted Systems

CAMA (Computer Assisted Mass Appraisal) systems allow us to do our job better, faster, easier, and produce more information to better serve our administration and the public. These systems may be as rudimentary as a basic batch processing of the data with the results given on print-outs. In this case, the data is organized in a database and used in the Replacement Cost pricing of the building, and the generation of various reports. The more sophisticated systems provide the batch processing capability along with on-line updating, data retrieval, and can include Multiple Regression Analysis, Comparable Sales Selection Criteria capability, and Income models to generate the values of commercial/industrial property. When planning our next revaluation, therefore, we must investigate the software systems available that will meet both our present and future needs.

Shopping for a Modern System

An RFP (Request for Proposal) expressing the general scope of the project is a more effective approach in the search for a new system as opposed to putting out detailed specifications. An RFP tends to generate responses expressing all of the company’s products that are available rather than proposals tailored just to the detailed specifications. Be aware of all available software products to insure the selection of the most cost-effective system that still addresses the project scope. All too often the assessor does not select the state-of-the-art product simply because he/she did not know what products were on the market. To best understand the capability and sophistication of any system, see the product in actual operation using live data, rather than a canned demonstration package of the product. A demo could be years away from reflecting the actual system capabilities once in production, but may look great. Ask for a list of communities where the system is up and running, and then arrange for a site visit. Seeing the system in operation and speaking with the users will assist you in your evaluation of the system. If one of the communities has a compatible system, you may want to load some of your own data on their system to see if the results meet your needs.

In the revaluation business cheaper is not necessarily better, or in the long run, more cost effective. The price of the revaluation includes more than the dollars spent on the contractor. Then quality of the product, the reputation of the company, and its assigned project personnel are

more important than the contract price. When systems don't work or the project is not completed on time, the dollars spent can be much more than the original contract price.

Communications

Communications is the key between you, your own data staff, and your appraisal personnel with the company's data staff, and their appraisal personnel. Regular meetings are the best route, and if you have sufficient staff, a CAMA Coordinator is very advantageous. This Coordinator provides the link between the assessor and the old and new data system. Learn the language or buzzwords beforehand, so they don't tell you the difference between bits and bytes is 8, and you sit there wondering what you got yourself into. Learn enough technical stuff to be dangerous! Beware of the company programmer speaking about a mind-boggling complex calculation as though it were simple arithmetic. Multiple Regression Analysis is not an arithmetic that is easy to learn or explain, and the public will have the same view.

Not to be forgotten is the need for communications with your administrative or elected superiors, and with interested taxpayer groups. Let your superiors know as often as possible the status of the project. There will be less negative reaction after the revaluation if the administration is aware of what happened as the project evolved. Speak to as many interested taxpayer groups as you can. It may be trying but the more visible you are, and the more correct information you put out, the better off you will be. Disinformation campaigns by certain people out for their own gains can be countered only by information as widely as possible.

Accuracy of Data

The processing of all the data collected for the appraisals in such sophisticated computer programs as Multiple Regression Analysis or Linear Regression that statistically analyze the sales and produce comparable sales selection criteria for predicting the value of the property tends to amplify the need for accurate data on all properties, particularly sales data. Since all values are predicted based on sales, the data on these sales MUST be correct. Verification of sales data cannot be overemphasized. The visibility of the data via on-line screen and comparable sales review sheets enhances the change for identifying incorrect data. If incorrect data is found by the taxpayer, the generated value is automatically considered suspect even if the data element is not one of the variables used in the value prediction.

Property Record Card and Screen Design

The design of the Property Records Card (PRC) or field card and the screens should mirror each other as much as possible. While it is necessary to conform to the system requirements that you are purchasing and the needs of the revaluation, you must address your operational needs after the revaluation. For the residential property in Hartford, it is required that the system provide three choices from which to select value: #1 Cost Approach, #2 Market Approach (Multiple Regression Analysis and/or Comparable Sales), and #3 Cost-Adjusted Market Approach.

This third approach is used mainly after the revaluation when additions or remodeling occur to the property.

The new addition or remodeling items is run through the cost schedules, factored with depreciation applied with the structure to reflect the Cost Approach Value of that item, and then added to the Market Approach to create a new value. Example: A tennis court is not an option in your model. The tennis court cost \$20,000, is depreciated 25% which yields a value of \$15,000 which is added to the market approach of the property. For commercial or industrial property, the same approach is taken, except income value instead of market value is used. Special assessments and individual exemptions can be handled directly through the automated change or edit features provided on the screens, and may not be necessary on the PRC.

If, as part of the revaluation, you are purchasing Laser Videodisc Technology, or plan to put it in the future, you need to include frame number as an updatable field on both the PRC and the ownership screen. Hartford's system includes pictures of all the properties placed on a Videodisc which is linked to the mainframe appraisal system. This allows taxpayers to look at a picture of the property and view all of the assessor's property information on the terminal. The ownership screen should include owner name, mailing address, property address, parcel ID, deed data, sale information, market value and its breakdown, along with the assessment, if different from the market value.

Project Plan

The project plan and time schedule presented by the contractor will reflect either a best-case scenario or a somewhat realistic time schedule. When dealing with software installations and revaluations, the assessor should create a worst-case scenario; experience suggests that is what may happen even with the best of efforts. Many states have completion dates with little flexibility. Therefore a sufficient time period must be allowed right from the onset of the project. The shorter the time period, the more people necessary to perform the tasks, and the higher the error rate becomes. As a former mass appraisal official, this assessor has been involved with hundreds of revaluations, and over 50 CAMA revaluations and systems installations, and this was the case in almost every one. The optimum situation is to have the system installed, and up and running prior to the beginning of the revaluation. In this case, you will need a year or two for system installation in addition to the time necessary to do the revaluation.

Now let's assume that you have chosen a vendor. Like any good manager you set up bi-monthly or monthly status meetings with the vendor, your data people, and with your staff to hear why they are not meeting the schedule. Of course the vendor assures you that there's nothing to worry about since they can still get the job done on time. You may hear the vendor explain that the machine or (CPU) was down for x amount of hours during the past few weeks and delayed processing. In-house data people will tell you that it's your software system, and your own limited experience with the system brought the system down. Assuredly, machines do go down and some times new systems may be the cause of the problem.

The point remains, however, that all the data people involved must work TOGETHER or the project will take longer, be of poorer quality, and the in-house staff will be unfamiliar with the system after the turnover, or acquisition of full system responsibility from the vendor.

Training

This brings me to the topic of training in-house data personnel on the new system from the beginning until turnover. It is important to have a least two of your in-house data personnel involved from the beginning with the implementation of the program in order to learn the why's and how's of the system. Detailed documentation is an aid in running the system but never seems sufficient a year after the system has been installed and yearly programs need to be run. Send your field personnel and your clerical staff to the vendor's in-house training classes, and work with the company personnel while the revaluation is ongoing. Your staff then will have hands-on experience with the system before turnover. Of course, your contract should require the vendor to train your personnel, but that usually just implies classes at the end of the project, when time is short and pressure is great. The more hands-on operational experience the staff can acquire, the better off you will be after the system is operational and all your's!

Monitoring the Work

Does all this mean that the assessor and his staff should man the Battle Stations? Or does it mean that the revaluation company is doing the project; therefore, it's their job, let them do it and if it's not right it's their fault. It's the assessor's job to oversee the project and make sure the product meets with his desires and the requirements of the contract. Name a project manager from your staff to oversee the project. In Hartford, we are fortunate to have someone with many years of experience with revaluation, and he has been made responsible to oversee the revaluation project. His normal day-to-day activities have been reassigned to other staff members in order to free up time to devote to the revaluation. Among the duties we have elected to do in-house is valuation of apartments, exempt properties, land pricing, and neighborhood delineation. In Connecticut, values are set every October 1st, and the Grand List or tax list must be produced by January 31st of the following year. In the year of revaluation, this January deadline can be extended one month. Municipal revaluations are required once every 10 years by state statute. With values increasing 30% to 35% per year in Hartford, the assessment increase is going to be significant.

What we have attempted to provide is a listing of key items that you should pay particular attention to during the planning and implementation of a revaluation whether it be CAMA or the traditional approach.

Careful attention to these items will allow you to not only successfully complete a revaluation, but also survive it politically!

CAN CONNECTICUT SURVIVE REVALUATION?

(Essay Winner 1988)

James G. Ramos, CCMA

Waterford, Assessor

As a taxpayer of the City of New London who pays \$700 a year in motor vehicle taxes alone, and as Assessor of Waterford, who witnesses the same vehicle being taxed for \$97, I ask the question "Is our tax system fair?"

Due to my position as Municipal Assessor, I have been criticized for publicly stating my opinions concerning the tax policy, but my answer to this criticism is that there is no one better to offer possible solutions than people who have served on the front line of property tax administration. Many times so-called solutions developed in Hartford have caused chaos in the local assessors office. I supervised the Hartford revaluation in 1978, was the Assessor of Bristol for six years, and I am presently the assessor of the town with the lowest tax rate in the State. As the song goes, "I've looked at life from both sides now."

The question before us today is, "Can Connecticut survive revaluation and the answer is yes." The question should be, "What shape will we be in when the fight is over and the smoke clears?" The Baltimore Orioles are going to survive this baseball season, but they will finish 35 games behind the front-runner. Personally, I like being a survivor and the front-runner.

At this point, I would like to draw an analogy. Many years ago, I purchased a 1972 Oldsmobile Delta 88. It was a good car, a dependable car, but as all cars do, it started to self-destruct. First it needed a water pump, then an exhaust system, a starter and new brakes. Finally a decision had to be made, do I rebuild the transmission for \$900 and hope the car will last for two more years or do I buy a new car. I purchased a new car. This is the decision the State of Connecticut must make with its outdated tax system. In order to fix the revaluation shift, we are paying for repairs in the form of phase-in, rebates to homeowners in towns with high effective tax rates, additional veterans exemptions, revised, re-revised, and re-re-revised elderly programs, additional blind exemptions, additional disabled and the repair list goes on and on. When does the legislature make the decision to "buy a new car" by eliminating the source of the problem, that is the shift onto the residential property owners as a result of revaluation?

The volume of these tax repairs programs has caused some assessors to retire or change careers. Once proud to be a professional trained appraiser, today's assessor is weary of being relegated to the position of a social service coordinator. Many towns are having difficulty in finding qualified assessors especially at the salaries that are being offered. Manchester, for example, found it necessary to raise the salary of the assessor to \$50,000 in order to attract acceptable candidates for the job. Other towns have decided to retain the low assessor salary and hire under-qualified people to administer their property tax programs. I cannot fathom why a chief executive officer, in order to save a few thousand dollars, would hire an individual who in one stroke of the pen could cost the town hundreds of thousands of dollars due to his/her inexperience, especially in a state that is so heavily reliant upon the property tax to fund local government. Furthermore, revaluation companies are not meeting deadlines because they are not sufficiently staffed to perform all of the revaluations that are due in the next few years. Towns, are therefore, forced to

delay revaluations, making the inequities and shifts even more dramatic. “Yes, it’s time to buy a new car,” but that 1972 Delta 88 was so dependable for so long that I bought another Oldsmobile. It is my opinion that the property tax is one of the fairest and collectable of all taxes. People with houses of similar value pay similar property taxes within a town. It cannot be said that people of similar incomes pay similar income taxes. Real Estate is there, you can’t hide it and you can’t move it to a town with a lower tax rate. Also the local property tax is an accessible tax. A taxpayer would find it difficult to question the Governor or President concerning his income tax, however a taxpayer can question his assessment or the local budget very easily.

So how do we make the property tax more efficient and fair? Attack the problem at the source. If you agree that the problem is the dramatic increase in taxes due to shift onto the homeowner as a result of revaluation, then simply minimize the shift by eliminating the motor vehicle tax and performing more frequent revaluations. I suggest the elimination of the motor vehicle tax and not its takeover by the State. I believe it would be unfair to ask someone who has just purchased a \$10,000 vehicle and paid \$750 in sales tax to pay an additional property tax of \$280 at the time of registration if the statewide mill rate were to be 40 mills. The revenues lost by eliminating the motor vehicle tax would be picked up by raising the mill rate and collecting more taxes on the real estate and personal property portion of the Grand List which have a higher collection rate than the motor vehicle portion.

Based on the calculations (shown on the table following this essay), the end result would be that the average homeowner would pay the same or less taxes in three diverse towns, namely East Lyme, New London, and Hartford.

In the predominantly residential Town of East Lyme there is virtually no change in taxes to the average homeowner since the motor vehicle tax, which is primarily a residential tax, is shifted to the residential real estate tax base. In New London (45% residential tax base) and Hartford (15% residential tax base) the motor vehicle tax is shifted to commercial tax base and the average homeowner’s total taxes are reduced.

In summary, by eliminating the motor vehicle tax there would be no loss in revenue. The tax would be shifted onto the real estate and personal property portion of the Grand List which are more collectable taxes and it appears that the average homeowner will pay the same or less in total property taxes. The assessor who now spends 40% of his/her time in the administration of the motor vehicle tax will now have the time to conduct more frequent revaluations thereby minimizing the shift from the personal property portion of the Grand List to the real estate portion. Of equal importance is development of a revaluation schedule which will provide for an even number of municipalities to be revalued each year.

The end result of these changes would be a tax system that is more easily administered, fairer to the public, more fiscally sound and one that provides for less dramatic increases in taxes.

See the following table next page

	Easy Lyme	New London	Hartford
Net Grand List	\$414,129,262	\$312,587,393	\$2,292,269,877
Budget (1)	14, 698,234	20, 574,502	167,200,000
Mill Rate	35.0	65.82	72.9
Motor Vehicle Assessments	40,529,940	44,647,240	154,505,469
Number of Motor Vehicles	12,857	15,417	56,784
Average Motor Vehicle Assessment	3,152	2,896	2,721
Residential Assessments	\$314,589,100	\$135,420,494	\$357,677,730
Number of Residential Properties	5,946	5,404	15,454
Average Residential Assessment	52,908	25,059	23,144
Total Residential Assessment (2)	59,212	30,851	28,586
Total Taxes Paid	2,072	2,031	2,084
New Mill Rate (no MV Assessment)	39.3	76.8	78.2
Total Taxes Paid (no MV Assessment) (3)	2,079	1,924	1,810
Difference in Taxes Paid	+ \$7	- \$107	- \$274
1. Amount collected thru property taxes			
2. Average residential assessment plus average motor vehicle assessment X 2			
3. Average residential assessment X new mill rate			

REVALUATION – A BRIEF OVERVIEW

(Essay Winner 2008)

Steven Hodgetts, CCMA II

Middlefield, Assessor

Our Town has recently undergone a revaluation of Real Estate, assisted once more by Vision Appraisal Technology from Northborough, MA. This time it was not so obvious as five years ago, since we did not have to visit all of the properties. Five years? I thought it was every TEN years, you might exclaim. Well, the State Legislature has changed the revaluation laws a number of times over the last few years, but the current status is that every Town must revalue every five years, and visit every property every ten years, with some exceptions. In this the Legislature recognized that many towns would not be able to afford a full revaluation every time, since generally half the cost relates to the manpower required to visit all of the properties. Since all of our properties were visited for the 2001 revaluation, this time the only ones visited were properties that had sold in the prior two years, and some that had been improved as a result of building permits being issued. This was necessary to ascertain the condition of properties at the time of sale.

A compilation of construction cost and land values, together with the information from sold properties, was used to formulate new pricing tables, which will be used until the Town revalues in 2011. These pricing tables were then used, along with the information from 2001 in our computer database, to predict new values for all the properties in town. These values were reviewed by driving through the various neighborhoods, and notices of assessment were sent out. By law, your assessments should represent 70% of your property's value. Details of all properties are available on-line at www.visionappraisal.com, and representatives from Vision held informal hearings with approximately 100 property owners during the week before Christmas. Any changes from those hearings have been notified to the owners. Due to the time constraints within the Statutes, these hearings could not be held indefinitely, but if you did not have a chance to discuss your assessment with the Vision reps, you may still file a more formal appeal with the Board of Assessment Appeals if you think your property is over-assessed. Appeal forms are available at the Assessor's office at Town Hall. They must be completed and returned to the Board by February 20th and the Board will make an appointment to meet with you in March to discuss your assessment. Any change made by the Board will be incorporated into your assessment before the tax bill is issued I July 2007. If you are still dissatisfied, you must appeal to Superior Court within two months of the Boards decision.

Now the assessment and appeal process has been explained, how will it affect your tax? At the moment, it is impossible to say. Taxes are based on your assessment multiplied by the mill rate. After a revaluation, the increase in Real Estate assessments usually spurs a drop in the mill rate. How much of a drop will not be known until the Grand List for 2006 is complete, including all Personal Property and Motor Vehicle assessments, and accounting for all exemptions.

Then comes the proposed annual budget, which will take into account not only the Town and School expenses, but any expected revenue from the State and other sources. This leaves an amount to be raised by taxation, and this combined with the total net Grand List figure, will produce a proposed mill rate, which will give a general idea of how the taxes will be affected.

Even then, the budget must be accepted by the Board of Finance, and brought before the Town for a vote. Remember that, as the mill rate is reduced, taxes on Personal Property and Motor Vehicles will be reduced.

Since it is the nature of budgets to increase, the new assessments, combined with the reduction in car tax, will mean that many people will experience an overall tax increase similar to the amount they would have if there were no revaluation, and the mill rate continued upwards, since properties do not all appreciate at the same rate, there will be some increases that are more dramatic, and some tax burdens will decrease. Such is the nature of an “ad valorem” tax. The property tax system in the State of Connecticut is based on the value of property, and assumes that the owner of a more valuable property can afford to pay more in tax. Unfortunately, this is not always the case. The State Legislature does allow some exemption programs for Seniors, Veterans and the Disabled, but until more widespread property tax reform is enacted, this is the system we have to work with.

BEST ARTICLE AWARD WINNERS

MERRY CHRISTMAS!!

(Best Article Winner 1994)

By Bob Dudek, CCMA

New Britain, Assistant Assessor

As many assessors awakened from their Christmas Eve sleep, they found exactly what they wanted awaiting them underneath the Christmas tree: as many cars priced as possible. It didn't seem to matter what the value on the cars were – after all it was Christmas. Other assessors woke up and ran down stairs to find, much to their chagrin, a lump of coal waiting for them under the tree.

The assessors who had gotten what they asked Santa for – less work – were happy. Those who found coal could barely mumble a Bah Humbug.

It seems that some assessors could hardly see the sleigh through the reindeer. They were so happy that they would have less work to do, it didn't matter what the values were. NADA was gospel.

Well, this assessor sat down on Santa's lap and was asked what he wanted for Christmas. I replied, "An explanation of why NADA is right and 'the average retail prices' in several other guides is wrong." Santa sat and pondered, drew a deep breath and said, "Son, I'm sorry, but I don't know the answer." "Well then Santa, seeing that you know the true meaning of Christmas, could you please tell me what the true meaning of 'average retail' is?" Again, he stopped and pondered. He didn't know the answer to this either.

Downheartedly, I went home and fell asleep. I was visited by three ghosts that evening. The ghost of Christmas past who showed me all the assessors in the state striving for uniformity and equity. Next to visit me was the ghost of Christmas present. She showed me 169 different assessors doing 169 different things, with only a few striving for uniformity and equity. The next to visit me was the ghost of Christmas future. What I was shown wasn't very clear. There was chaos and confusion, screaming and yelling, blames and counter blames. It was war. War between assessor and assessor. War between assessor and taxpayer. War between friends.

A frail voice cried out of the haze, "It doesn't have to be like this. There are ways to make right what is wrong. There are ways...." The voice was gone.

I woke up with a jump. I was covered from head to foot in sweat. But I finally had the answer. The answer was the law. Have the law changed? Call on those most familiar with motor vehicles to draft a law we all can live with. We had entrusted our motor vehicle pricing to Leon Jendrzeczyk, Charles Agli, Herb Braasch and many others before, why not consult them, I thought. Why not involve the Legislative Committee, our voice in Hartford. Why not involve the Executive Board. But again, downheartedly, I realized that this would only work if everyone had the best interest of the association in mind.

There will be many questions with few answers unless our association pulls together and comes up with a workable solution. This must start with the leadership of this association, which was given a second term by the membership. However, it does not stop there. The entire association must become involved. There are many who criticize, but few who do the work.

It is not my intention to downplay the accomplishments of the CAAO this past year in regards to the motor vehicle contract, nor is it my intention to offend anyone individually. It is my intention, however, to voice my opinion and let the membership know that all is not well at the North Pole.

And When The Bough Breaks

(Best Article Winner 1994)

**Gordon M. Donley, CCMA, CAE, CCA
New Canaan, Assessor**

Did you ever wonder why, as assessors, we often feel we are alone, out on a limb, and there is someone cutting away at that limb? Well friend, the feeling is true but you are not to be blamed, and you definitely are not alone. It is the arena of our occupation. The cards have been stacked against us. In fact, it amazes me, that we do as good a job as we do considering the obstacles. There are so many areas of our profession under attack. It is hard to choose that which is most important. Truth is, the importance shifts from town to town and assessor to assessor.

One topic lying like a depth charge ready to punch another hole in our somewhat sieve-like ship, may be found in every municipality in Connecticut. It is worthy of discussion as the potential for assessor grief is real. We need only to read 12-64 of the Connecticut General Statutes and the 1980 court case of Eastern Connecticut Cable Television Inc. v Town of Montville.

Before further discussion, we should review the regulations by which we perform our duties. We operate under Title 12 Chapter 201 C.G.S. with occasional ventures into other titles and chapters. As you read the book of laws you quickly recognize the early tax statutes. They are short in verbiage, easy to understand, and provide clear intent. Then you see other statutes, that once easy to read and administer, have been amended over and over through the years. All changes, of course, in the name of equity and taxpayers rights. These statutes are easy no more. Then you see more recent statutes that from beginning to end are impossible to read, and a nightmare to administer. The short of it is the intent of the statutes. They are often written with deliberate uncertain intent or direction by which the assessor is to administer his/her assessments. Enough said, but keep it in mind.

Back to 12-64 C.G.S. and the Montville case. Statute 12-64, "Real Estate Liable to Taxation", has undergone considerable amendments but the listed items of taxation have not changed. This brings us to Francis G. Callahan, Assessor of Stonington, Connecticut. It is he, who read the Statute, saw it was limiting in scope, and forwarded an amendment to our Legislators. It would provide the right for assessors to recognize items of value and tax accordingly. The Legislature turned the amendment down.

So what is the big deal? Well, it is that which we are listing on our Tax Rolls without benefit of 12-64. At least one or more of the following items will be found on all assessors Real Estate Tax Rolls. They are listed but are not detailed in 12-64. They are in part: dams, swimming pools (both commercial and residential), tennis courts, paddle tennis courts, docks, billboards, open air theaters, transmission towers, concrete pits, decks, terraces, basketball courts, parking lots, airport runways, stone walls, retaining walls, bungee jumping towers, test platforms, and all items identified as other real estate improvements. So again, what is the Big Deal? The answer is found in the Montville Court Case. Reduced to its basic, the Judge in so many words said, if it is not clearly identified as an item of taxation as detailed in 12-64, it is not taxable as real estate. The Montville Case concluded that TV transmission towers were not real estate under the category "Building". It is interesting that the BOCA National Building Code of 1987 describes the "building" as any structure used or intended for supporting any use or occupancy. The court case was in 1980, and the Judge accepted other definitions of "Building".

Enter again Fran Callahan who sought to include 12-64 C.G.S. the above listed non-taxable items under the umbrella phrase "other improvements". It is obvious that both the Legislature and the Courts want to keep assessors on a very short leash. Of the items listed, a fair number including dams and TV towers are taxable as Personal Property. Other items if listed as Real Estate, are subject to challenge.

The Office of Policy & Management (OPM) is not exempt from this push and shove match practiced by the Legislature and Courts. In Land Use Codes, OPM has instructed assessors to list Industrial Improvements under Code 3-3. If you are using this Code, it better be clearly identified as one of the detailed items in 12-64. Under Condominium Options, 1-7 Residential and 2-7 Commercial, we are instructed to list items such as docks and lockers. So here we are, listing items as Real Estate that a Judge has found not taxable under 12-64. If you get the feeling of abuse, take two aspirins and **do not** call me in the morning. Keep in mind. There is Statute; we list and tax accordingly. There is legal opinion; we list and tax in accordance with and on occasion NOT in accordance with Statute. And then there are the courts. Here we list and tax as instructed. Courts and their doings could and do fill volumes. This is an area for discussion at a later time.

CAAO President, Tony Homicki, is aware of the deficiencies of 12-64 and through the CAAO Legislative Committee has urged acceptance of the Callahan Amendment. So there you have it. As assessors we are trained to recognize units of value and assess them accordingly. If that hot tub spa next to the in ground swimming pool, adjacent to the tennis court adds value to the property being appraised, you have a property subject to challenge if you list any of the items as real estate.

Remember that limb we are sitting on? We no longer deal with one guy and his ax. It is now organized groups with chain saws cutting our assessment tree into baseball bats. It is times like these that we as assessors must draw on all our assessment and communicative skills. Even now I hear someone muttering "**Well!** What are you going to do about it?" The answer is easy. I urge you to support Fran Callahan in his effort to amend 12-64. As for items of value not detailed under 12-64, do nothing. If you have established true and fair assessment value, you will have

little to fear. At least for a while. Your Association will again review 12-64 and will submit a recommended amendment if in order. Your job will be to support the effort.

Just Start It

(Best Article Winner 1996)

**Patricia Hedwall, CCMA, CAE, CCA
Madison, Assessor**

This is directed to all of you who have, from time to time, contemplated the completion of the demonstration appraisal for a IAAO designation. I can hear the excuses for delaying the project: “I’m in the middle of a reval!”, “I am suffering the consequences of a reval!”, “We’re shorthanded in the office!”, “The work just keeps piling up!”. Well, here is a reality check. There is never going to be a good time to do this project!!! Something else will always be in the way. You just have to start it!!

For me, the decision to become a candidate was propelled by the fact that I needed to be an active candidate before I would be allowed to sit for the Commercial Appraisal Challenge exam. I knew that passing this and, therefore, eliminating the need for a commercial demonstration appraisal was the key as to whether or not I could qualify for a CAE designation. Acceptance in the program gets you a copy of the IAAO publication “ Guide to Real Property Demonstration Report Writing” and starts a 5-year clock ticking. Although an extension is possible, I knew that I couldn’t maintain any kind of motivation for 10 years. So I had to get started.

In the State of Connecticut, motivation for this kind of commitment can be a problem. For most of us, there is no financial reward at the end of the rainbow. The motivation has to come from the inside. You will gain the respect of your peers and you will enhance your self-image tremendously. But, you have to want it for yourself. It is often a help if you have a “buddy” or at least someone you can call when you get “stuck” and begin to feel that the whole process is hopeless (your family gets tired of hearing about it.) If you are a member of the Candidates Club, there may be another member who can fill this position. If not, almost anybody who has ever gone through this process is only a phone call away and more than willing to give you the support you need.

Having completed this endeavor I can tell you that I believe that this project is as much a measure of your own perseverance and endurance as it is of your data gathering and appraisal skills, but it is a learning experience that is well worth the time and effort. So...start collecting data! Don’t worry about selecting your subject property or what factors you will use for depreciation or obsolescence. Just collect data.

Since I decided to do my demo on a property in the town where I work, I simply made copies of the field cards for all of the sales that occurred within the past year and continued to do this as new sales occurred. I then transferred the information onto a spreadsheet noting house age, lot size, condition, number of bedrooms, etc. Vacant lot sales data was done on a separate spreadsheet. For me, the spreadsheets were not in a computer. They were just pieces of paper

that had grids. As one sheet filled, I taped another along the edge and continued. In fact, the only time I used a computer was for the final word processing of the report. As you continue, justification for the sales adjustments will be found. I probably utilized 300 to 350 sales before settling upon those that I actually used in my report.

Also, become especially aware of the sales of rented properties. I found the cooperation of local Realtors invaluable in this matter. They often knew of a house that had been leased prior to its sale and the details of the rental income and leasing terms.

If you carefully read the “Guide to Real Property Demonstration Report Writing”, you will understand what kind of data is necessary to complete your report. This will help you in your collecting process.

Keep all of your information in a designated box, briefcase, file or whatever. This will eliminate the need to go searching for the pieces of your work every time you go to work on the project.

It is beneficial to get a copy of the IAAO publication “15 Steps to a Successful Residential Demonstration Appraisal”. This will help guide you in defining and organizing the process of completing your report. But don’t get fooled by the statement in the introduction of the book that says that each of the 15 steps will take about 5 hours to complete. This is fantasy. Organizing the data alone will take longer than that. Give yourself a reasonable goal that allows for active and inactive periods. Everyone becomes discouraged and needs to take time off to regroup. Just don’t give up!

After about two years of data collecting, doing preliminary data analysis and writing the general sections of the report, I decided that it was really time to sit down and finish this thing. It was June; I cleared off the dining room table, spread out all my work in appropriate piles and vowed to myself that I would not clear the table until I was finished. This had to be by Thanksgiving since I was having the family celebration. I then gave myself short goals based on breaking down the report into small sections. For me, this worked. I mailed out my demo on December 1.

The Power of A Preposition

(Best Article Winner 1999)

Kathie Rubenbauer

Office of Policy and Management

An assessor recently questioned the date by which a Connecticut resident who is an active duty member of the United States Armed Forces must file an application for the exemption of his passenger motor vehicle under § 12-81(53). At the issue is the reference in subsection (b) of this statute to “the thirty-first day of December next following the date on which property tax is due in such assessment year.” The determination of the filing deadline for this exemption hinges on the use of a single preposition in said subsection.

Because some towns have more than one installment due date for property tax collection, the assessors who raised the question speculated that the application deadline might differ depending on the town in which a serviceman’s vehicle is registered. The assessor also wondered if a vehicle’s date of registry impacts the deadline, since there is a difference tax due date for a vehicle registered on an October 1st assessment date, than for one assessed on a supplemental motor vehicle list pursuant to § 12-71b.

The term “next following”, as used in the Connecticut General Statutes, means the one that follows. In § 12-81(53)(b), therefore, the December 31st that follows the date on which property tax is due in an assessment year is the filing deadline for the exemption. As the following illustrates, there is only one property tax due date in any given assessment year.

Lets suppose that property taxes for the October 1997 assessment year are due in four installments on July 1, 1998, October 1, 1998, January 1, 1999, and April 1, 1999. The July 1, 1998 due date is in the 1997 assessment year, which extends from October 1, 1997 to September 30, 1998. (In fact, the second installment due date in this example is the date that begins the 1998 assessment year.) Thus, there in only one due date for property taxes in the October 1, 1997 assessment year: July 1, 1998.

Given this, it is clear that an exemption claim for the 1997 assessment year must be filed by December 31, 1998, since that is the December 31st that follows the only property tax due date in the 1997 assessment year. By logical extension, the filing deadline with respect to any assessment year is always the last day of the calendar year in which the tax due date for the assessment year falls.

Section § 12-71b of the CGS governs supplemental motor vehicle lists, under which special treatment is provided with respect to the taxation of a new vehicle⁵ registered after an assessment date and prior to the following August 1st. The assessment of such vehicle represents only a portion of an assessment year, determined by its month of registry. This method of assessment results in a proration of the vehicle’s property tax.

⁵ For the purpose of this discussion, a new vehicle is one that does not replace another in an assessment year.

The special treatment afforded a vehicle on a supplemental motor vehicle list does not alter the fact that its taxation relates to a particular assessment year. For example, the 1997 Supplemental Motor Vehicle List correlates to the assessment year commencing October 1, 1997, since vehicles registered after October 1, 1997 and before August 1, 1998 are encompassed on that list. A new vehicle registered on July 31, 1998 is subjected to taxation for the 1997 assessment year, just as is a vehicle registered on October 1, 1997.

Because the conclusion of the exemption application period under § 12-81(53) is dependent on the date on which property tax is due in an assessment year, the filing deadline is not affected by a vehicle's date of registry. A serviceman who registers a new vehicle on July 31, 1998 must, therefore, claim the exemption under § 12-81 (53) by December 31, 1998, which is the deadline applicable to the October 1, 1997 assessment year. Since a 1997 Supplemental Motor Vehicle List tax bill is payable in January of 1999, the exemption must be claimed by the end of the month preceding that in which the tax for the vehicle becomes due.

At times, the issuance of a serviceman's motor vehicle tax bill prompts his exemption application. There may be a delay in the delivery of his tax bill due to the need to forward it to his duty station. If receipts of a tax bill for a vehicle registered on October 1st is delayed, there will still be a number of months remaining in the filing period during which an exemption claim can be made. At best, there will be only days remaining before the filing deadline when a July 31 st registrant receives his tax bill. At worst, the filing period will have ended.

Many of us would consider this situation unfair. However, it is a well-established tenant in construing the meaning of any statute that every word contained therein is intentional. In addition, it must always be presumed that legislators know the effect of enacting legislation that may be impacted by, or may have an impact on, another law.

Subdivision (53) of § 12-81 was created by a 1967 public act, which § 12-71b was not enacted until 1976. It must be taken for granted, however, that our legislators knew the consequence of not altering the wording of §12-82(53), when they enacted the legislation governing supplemental motor vehicle lists.

If the controlling factor in §12-82(53) was the date on which property tax is due *for* an assessment year, rather than *in* an assessment year, the filing deadline for the exemption would differ with respect to vehicles on a regular motor vehicle list and a supplemental motor vehicle list. If this statute were amended to reflect this preposition change military personnel whose new vehicles are first assessed on a supplemental motor vehicle list would be able to file an exemption application by the end of the calendar year in which the tax bills for their vehicle are issued.

This simple replacement of one preposition by another is an example of a seemingly insignificant statutory change with a substantial impact.

GIS FOR LESS THAN \$.25 PER PARCEL

(Best Article Winner 2000)

By David B. Jackson, AAS, CCMA II

Norwalk, Assistant Assessor

Procurement through Implementation of a GIS for less than \$.25 Per Parcel

A Geographical Information System (GIS) is a tool that has proven itself to be extremely useful to assessors over time. A GIS can be described as database software that typically incorporates maps, e.g. tax maps and provides the standard database capabilities, but most importantly, it allows the user to display data or combination of data, and various subsets of data on a personal computer or printed map. The user can also perform calculations based on distances from points and lines to other points and lines or calculate areas within certain features on a map. A GIS can be a vehicle for sharing data across departments, enhancing inter-departmental communication, and allowing for easier, yet more in-depth analysis before decisions are made.

As there are significant numbers of jurisdictions that do not have CAMA systems, even more jurisdictions do not have a GIS. In each case it typically comes down to funding. However, GIS, as usually presented, can be cost prohibitive. When you attend most Conferences and Seminars you are generally presented with a single choice of a GIS in which your maps are digitized in addition to all of the thematic mapping and spatial analysis capabilities. This is what I refer to as a Polygon Based GIS. A system like this for the City of Norwalk, Connecticut, with 29,000 parcels, and for many other jurisdictions, will cost from \$10.00 (\$290,000) to \$75.00 (\$2,175,000) per parcel, depending upon how much else is required, e.g., Aerial Photographs, drawing parcel boundaries from Aerial photos and/or deeds, and additional data. All of this is important to any jurisdiction when you look at the needs of an entire jurisdiction. However, if you look at just what is desired in the Assessor's Office, most can have a GIS fulfilling 80% or more of their needs for less than \$.25 per parcel.

WHAT DO YOU EXPECT TO DO WITH A GIS?

Most Assessors want a GIS to assist them with the justification of their valuation decisions. Displaying data on a map, referred to as thematic mapping, will go a long way in helping the public, as well as staff and superiors, understand the valuation process. The following is a list of some of the types of functions most Assessors, will use GIS for:

1. Displaying data for quality control
2. Parcel identification quality control
3. Land valuation (value per square foot)
4. Assessment neighborhood determination
5. Comparable sales
6. Sales ratio analysis
7. Determining if topography can be used to define an assessment neighborhood
8. Labeling data on a map
9. Viewing tax maps at your desk
10. Printing maps with data and/or tax maps at your desk
11. Map maintenance.

All of the above and anything that you can associate with a Parcel Number can be accomplished through the implementation of a GIS for less than \$.25 per parcel. In addition, if like many jurisdictions, you rely upon different staff members to update your maps, a Centroid Base GIS could be necessary prior to revaluation to insure the accuracy of your tax maps, i.e., “Parcel Identification Quality Control”.

Through this project the City of Norwalk has identified parcels on the Grand List (Assessment Roll) with incorrect parcels identification numbers as well as inaccurate data on our maps. In addition, we are researching several parcels to see if any omitted assessments are found, the cost per parcel would go down substantially if not pay for the project in its entirety.

Please note that what is not fully addressed in this solution, for the cost indicated, is using a GIS for map maintenance. However, this too can be accomplished with additional training costs or at a reduced rate by a vendor. For example, traditional map updating costs for the City of Norwalk will be reduced by at least 33% by employing a Centroid based GIS using Scanned Tax Maps.

WHAT IS THIS REALLY ALL ABOUT?

It simply comes down to whether you can be satisfied with a scanned version of your existing tax maps. If so, then can you be satisfied with a Centroid Based GIS. This is as opposed to a Polygon Based GIS, ie, a GIS in which the shape of the tax lot is what is associated with instead of a Centroid, ie, a point. A Centroid based GIS has been referred to as “Pin Mapping”. Pin Mapping can be described as the ability to use a computer exactly as many used maps in the past by pushing pins in to areas on a map to signify data of importance. By using a GIS you can readily interchange multiple sets of pushpins, with multiple sets of criteria, for multiple sets of data at a desktop. See “Mapping Technology At a Glance” at the end of this article to get an overall perspective on what you might want to consider.

HOW DO I ACQUIRE A GIS?

Many Assessors/Municipal Government Officials have some dollar threshold under which items can be purchased without having to release an RFP (Request for Proposals). Typically, as in the case of Norwalk you just need to acquire two or more price quotes. In the City of Norwalk this discretion is up to \$7,500. Your Purchasing Agent/Procurement Officer can advise you as to whether an RFP, or requesting price quotes, is best for you in your jurisdiction. The specifications we utilized for our request are as follows:

PHASE #1

1. Scanning (minimum of 107) existing 30 x 36 Maps to create digital files in a TIFF format. We have been lead to believe that there are a variety of TIFF formats. Please indicate the pros and cons of the format you will recommending. Please specify the time frame for picking up the maps, returning them, providing the digital files, what media the digital files will be provided in, and what hardware and software is required.
2. Trimming of all scanned tax map information outside of each map’s (per page) boundary, move all images to a common coordinate system and create a mosaic of all map sheets. Once the

mosaic is created, digitize the visual center points of all lots using State Plane Coordinates, ie, 1983 NAD (North American Datum). You will code these centroids (center points) with their unique District, Block & Lot numbers. You will link, or provide the capability of linking, the resulting GIS dataset of parcel points by Parcel Number (District, Block, & Lot) to a limited Microsoft Access copy of the Assessor's office database. Please indicate if you foresee a problem using scanned maps provided by another vendor. FYI: REFERRED TO AS TAX MAP REGISTRATION

3. Cost per license of PC Desktop Mapping/GIS Software that can easily use the scanned map files as a Map Layer. Please provide a quote for ERSI's ArcView as well as any other PC Desktop Mapping/GIS software you feel would be an appropriate solution.

PHASE #2

1. PC Desktop Mapping/GIS Software Training for two (2) staff members. Please provide a quote for ERSI's ArcView as well as any other PC Desktop Mapping/GIS software you feel would be an appropriate solution.

2. Development of an application that will allow any user, primarily the public, to view and/or print any 8 ½ x 11, 8 ½ x 14 or 11 x 17 section of the scanned maps by entering a Name (Last name first), Address, or Parcel Number (District, Block, & Lot). It is expected that the option to enter a complete or partial Name, Address or Parcel Number will exist. If a partial Name, Address, or Parcel Number, is entered the user will be able to scroll to the selection of their choice. The Name, Address, & Parcel Number would be maintained in a Microsoft Access database/table.

3. Development of an application that will allow the public to view and/or print the Name, Address, & Parcel Number of properties within a user specified radius. Please indicate what the separate cost would be, if any, for including the functionality to allow a user to specify a distance from a located subject property label. Once the location subject property label is specified, it is expected that the application will find all other property labels within the given distance of the subject property. A formatted list of these properties is expected to be created and submitted to a network printer and/or local printer.

PHASE #3

1. Map maintenance cost per Map on a Monthly and Quarterly basis. This past (Grand List/Assessment) year, 80 map pages were modified. It is expected the area of the scanned maps to be modified will be erased, alterations will be made, ie, all images provided to be corrected, eg, line and text images, will be added to the scanned map images and that a 30 x 36 copy of corrected Map will be provided. Please specify the anticipated turnaround time based on seven maps per month or 20 maps per quarter, what media the modified maps will be provided on, how these modified maps will relate to the original set of scanned maps in the aforementioned applications, and what hardware and software is required.

In response to our request we received a wide range of responses. However, the selected vendor, Fuss & O'Neill, Inc, who was not sent the original request but sought us out, provided us with the following:

Our initial thinking was that we would do it ourselves by purchasing the software, a street map, e.g U.S. Census TIGER File, and assigning the state plane coordinates, i.e., the X & Y coordinates the parcels ourselves with the assistance of the geocoding process. However, we were pleasantly surprised with the responses.

ITEM # COST

PHASE #1

1. \$1,500 (\$400*)
2. \$4,350
3. \$900 (Each)

PHASE #2

1. \$1,000 (For two)
2. \$1,150
3. \$1,150

PHASE #3

1. \$3,600 (80 Maps)

We were further able to reduce our costs by talking to a vendor who sells our maps. We found out that this vendor, SpecPrint, had already scanned our maps in the TIFF format. As a result of working out an agreement with SpecPrint, we went back to Fuss & O’Neill and requested that they use the scanned maps provided to us by SpecPrint. They agreed for a \$400 fee to review these maps. As a result we have implemented PHASE #1, i.e., a GIS for a total hard cost of \$5,650 or \$.19 Per Parcel. With the help of the training knowledge and material borrowed from other Assessors offices as well as the knowledge of other members of the local Government and Fuss & O’Neill we were able to train ourselves in the basics, i.e., the ability to produce maps with data and handle related functions.

HOW DOES THIS WORK?

If you or a member of your staff has an above average knowledge of Windows and can learn from the ArcView manual provided or ArcView training manual borrowed from other Assessors, you can be up and running in less than a couple of days. For the optimal usage all you need is:

1. A centrally located Pentium PC accessible to all staff members with 128 MB RAM, IGB of Disk Space and the ArcView software.
2. A CAMA System or Database in which you can export data to a DBASE or TXT file with a common field that was included in the data you gave the Vendor.
3. A CD-ROM, Zip Disk, etc.. from your vendor with all of the Scanned Tax Maps.
4. A file from your vendor with your parcel number and the GIS PINs (Parcel (Tax Lot) Identification Number).
5. A staff member who can use Microsoft Access, DBASE, Paradox or similar database software to create a DBASE or TXT file that combines the GIS PIN with-any and/or all of the data that you have. Please note that for those with Windows based CAMA systems that are Open Database Compliant (ODBC) and with the appropriate level of security, the live data in your CAMA system can be accessed directly by ArcView using the SQL connect feature. This is simply the establishment of a direct connection between your CAMA System & your GIS for a true CAMA GIS.

PRO’s:

1. Inexpensive
2. Fulfills most of an Assessor’s needs
3. Allows marketing of the benefits of a Polygon Based GIS

CON's

1. Does not address the overall needs of a municipality.
2. Abutting lot information may include more than the desired parcels based on the location of the Centroid. However, with a Polygon based system, the abutting lot information would be infinitely more accurate because the inclusion of abutting lots will be based on distance from any point on the Polygon, i.e., Tax Lot, as opposed to the Centroid which will typically be in the center of the Tax Lot.
3. Many of the more sophisticated uses of GIS cannot be utilized, e.g., Fieldwork or Emergency Response Routing, Automated Mapping (AM), etc.

WHAT ABOUT PHASE #2 & PHASE #3?

As far as PHASE #2 is concerned, we will include some training during the next fiscal year looking towards the goal of developing our own GIS applications or having the ability to modify applications provided by any vendor. The applications for which we requested price quotes are extremely popular and highly likely to be included in the City of Norwalk plans for a Polygon based GIS. To date 33% of the City Polygon based GIS has been completed and aerial photos have been taken. As of this writing \$250,000 has been designated for the Polygon based GIS project for the upcoming year.

PHASE #3 can be handled in several ways:

1. Our Department of Public Works has the equipment to handle the task of updating the Scanned Tax Maps. In addition, this department may decide to handle the creation of digitized Tax Maps on an ongoing basis.
2. We could send out an RFP, which is required for an annual task, for a vendor to update our Scanned maps each year.
3. We could train staff to update the Scanned Tax Maps within the Assessor's office internally.

CONCLUSION

A Centroid Based GIS is a great tool and can be used by most Assessors' officers without having to worry about a major expense for which only a limited number of municipal officials can appreciate. It should be noted that many Polygon Based GIS projects include just what I have described as a phase of the project, i.e, a Centroid based GIS. A major plus to consider in that a Centroid Based GIS allows for a better understanding of GIS by those who have some knowledge. In addition, a Centroid Based GIS can be used as a great marketing tool by providing maps with pertinent data to other departments that do not yet appreciate the need for GIS. If another department has a PC Workstation with a CD-ROM Drive, they can be given some data and street lines to use on a FREE product provided by ESRI called ArcExplorer.

The goal should be a Polygon based GIS that incorporates all municipal officials that are affected. However, assessors should take advantage of the opportunity of making a Centroid Based GIS their GIS or an initial phase of the Polygon based GIS project. Please note that the total project time was less than six (6) months from the point of providing the authorizing signature and the Parcel Identification data. Norwalk is not the first jurisdiction to take advantage of a Centroid Based GIS and should not be the last. The bottom line is that you can enhance the

quality of your Grand List (Assessment Roll), as well as the quality of the justification thereof, with a relatively minimal expenditure.

Mapping Technology At A Glance			
Feature	Traditional map	Polygon based GIS	Centroid based GIS
Base map	Tax maps	Digitized tax maps	Scanned tax maps
Urban lot	Drafted polygon	Vector/digitized polygon	X/Y (state plane) Coordinates of a point
Lot area	May be measured manually	May be computed	Provided as data
Street network	Drafted	Vector/digitized line or other sources	Vector/digitized line or other sources
Address	Drafted number	File links to index, e.g., Block & lot	File links to index, e.g., Block & lot
Building	Drafted "footprint" in lot polygon	Vector/digitized polygons or linked to building sketch in CAMA system	Provided as data or linked to building sketch in CAMA system
Area boundaries	Drafted set of polygons	Vector/digitized set of polygons	Drafted set of polygons
Parcel record	Drafted point, lines, polygons, & drafted data	Vector/digitized points, lines, polygons, & linked property data	Vector/digitized points & linked property data
Variables on a map	Ad-hoc data as fixed symbols	Available from on-line and/or downloaded datafiles	Available from on-line and/or downloaded datafiles
Scale and view	Ad-hoc & fixed	Variable	Variable
Updating process	Redraft map	On-line maintenance	Redraft map section & potential on-line maintenance
Primary uses	Illustration	Illustration, map maintenance, analysis, & engineering	Illustration, analysis, & administration
Labor input	Skilled cartographer	Technical staff	Strong PC user
Cost	\$.03-\$.34s (per parcel)	\$10-\$75s (per parcel)	Less than \$.25 (per parcel)

PUBLIC RELATIONS - A MEANING WITHIN

(Best Article Winner 2001)

By Alexander Standish, C.A.E, CCMA II, CCA

Hartford, Retired Deputy Assessor

Public Relations does not mean the same thing to all people. To some it means the influencing actions of political lobbyists or the advance ballyhoo of entertainer agents. To others it may mean the catering ways of host-company representatives at conventions, striving to entertain and become better acquainted with actual and prospective clients and contacts. There are some to whom P.R is interpreted as an act of good will, the chance to be of service, to do a kind deed, all in a sincere attempt to be of some help to another. This last category is perhaps the group that we, as state, city and town employees, belong. It is an important function of our employment as governmental workers to try to understand one very clear fact, even more emphatically than we perhaps understand it now. Citizens young or old, male or female, visit our offices, ring our phones or write us letters and do so because they have a question, a problem or maybe a gripe or complaint. In rare cases we may hear from a so-called crank, who needs help of another sort. But in most cases, in 99 out of 100 times, the person contacting our offices or us is one who is asking for our help. He maybe gruff in manner, loud of voice, and with a definite opinion about a thing or subject, (a type that we have met at one time or another.) I am sure you will agree, however, with a little thought on your part right now, that all that this person is asking for is our assistance. Try for a moment to put yourself in his position and ask this question, "Haven't I, at least once during my lifetime, been disturbed, had a problem that I wanted an answer to or had an opinion which was different than that of others?" Isn't this a fact? Haven't you, during these times, wanted to talk a matter over with another, whether he was a friend, or like us, public employees? And in wanting to discuss your problem what were you honestly looking for in addition to the answer to the question voiced?

Obviously, in these type situations, we are in part looking to a source, which we think may be helpful, and to a source, which we also feel is possessing of a greater understanding in general, and of a specialized ability.

The answer, however, lies simply in the fact that we are just plain, ordinary human beings. As such, we are attempting to communicate with another and we want their attention. We want someone to listen to us and who will respond pleasantly and with sincerity. We want to talk with another who expresses voluntary concern and not to one whom may be over-bearing in his attitude. We are looking for understanding, attentiveness, and recognition of our individuality. We are subconsciously asking another to strengthen our feeling of equality. Our total wants can be expressed briefly as a desire for that inner feeling of self-satisfaction.

This in part is my interpretation of Public Relations. If we are to improve these relations we must not overlook the fact that they are quite synonymous with Human Relations. Both are a projection of an attitude from within. Each reflects mutual attempts to recognize weaknesses and strengths, failures and successes, and complete understanding. The projection of this attitude will promote, to the degree which it is practiced, better communicative action and better human or public relations.

The following comments and expressions are offered with the hope that we who are actively engaged in public service do not use 'lack of patience' or 'television tension' as an excuse to slight our neighbors, or our co-workers. Most importantly, it must be remembered that we are here to serve.

To improve our public relations through correspondence:

1. Do not be evasive with answers.
2. Be in the habit of using simple words and terms.
3. Wherever practical, humanize by adding a personal touch through use of words you know someone understands and by mentioning the name of the correspondent.
4. Use positive sounding words and expressions. Rather than it; maybe, and perhaps, use will, certainly.
5. Keep in mind that writing should contain and convey impressions and expressions of confidence, ability, attitude of efficiency and warmness, too.

To improve our public relations through telephones:

1. The same hints that are listed above under correspondence are just as useful here.
2. Remember that telephone conversations (manners) are much more important and challenging than personal interviews for we must rely completely upon tone of voice and inflections.

To improve public relations through personal contacts:

1. Acknowledge others, by name, a gesture, a word, a nod, and/or a smile.
2. Be tactful, pleasant, neat and friendly.
3. Assume an attitude of assurance and self-confidence.
4. Be precise. (Others are busy, too.)
5. Try to communicate with greater understanding, depending not so much on the words used but on the way you use the words. Successful communication stems from interest, awareness and a sincere appreciation of common concern.
6. Think and act positively.
7. Treat others as individuals and with understanding.
8. Sincerely try to understand your visitor.
9. Try to make a person feel that he or she is not intruding.
10. Create an attitude of accessibility.
11. Be honest.
12. Try to make others feel more important.

COURT DECIDES INCOME & EXPENSE ISSUES

(Best Article Winner 2004)

By Roger Palmer, MAI, CCMA II

Milford, Deputy Assessor

A recent Superior Court decision addressed issues concerning an assessor's request of income and expense data. This case involved William C. Spicer⁶, an owner of an income-producing marina located in the Town of Groton. In the spring of 1999, the assessor issued an income and expense form to Mr. Spicer together with a cover letter that had instructions that the form has to be completed and returned by June 1, 1999. This form had not been approved by the Office of Policy and Management (OPM). §12-63c C.G.S., effective as of October 1, 1999, required the assessor use an income & expense form "prescribed by the Secretary of the Office of Policy and Management." It should be noted that Public Act 00-215 amended §12-63c in which the income and expense form did not have to be approved by OPM.

On August 24, 1999, OPM approved a new income and expense form that was submitted by the assessor. On August 31, 1999, the assessor sent to the taxpayer the OPM-approved income and expense form with a cover letter that stated that this form has to be completed and returned *by* October 31, 1999. Mr. Spicer failed to complete and return the income and expense form. In accordance with §12-63c(4) the assessor imposed the ten percent penalty, which Mr. Spicer had paid.

Mr. Spicer then brought a suit in New London Superior Court to seek a refund of this penalty on the basis that he was not required to submit to the assessor a form that was not approved by OPM. As a result, Mr. Spicer felt that the assessor could not impose the ten percent penalty. The Town of Groton argued that the ten percent penalty was proper for two reasons: 1) the assessor was not required to provide an income and expense form for the taxpayer's use in complying with the assessor request for such information; and 2) any duty on the part of the assessor to provide an OPM-approved form to the taxpayer by June 1, was directory, not mandatory.

The court held that " The June 1 date in §12-63c(a) is not a restriction upon the assessor, but rather is a deadline for the taxpayer to provide rental income figures to the assessor when so requested. The essence of the thing to be accomplished by §12-63c is to have the property owner provide rental income and operating expense figures so that the assessor can determine fair market value of the property. *The taxpayer has no discretion in deciding whether to furnish the assessor with this information. The assessor's extension of the time to file income and expense information until October 1, 1999 was discretionary with the assessor and did not negate the obligation of the plaintiff to furnish this information.* We consider the June 1 date in §12-63c to be a direction to the taxpayer, not a restriction on the assessor. The assessor's extension of the date to provide the rental income and expense information by October 1, 1999 was beneficial, not injurious, to the plaintiff.

⁶ *Spicer v. Board of Assessment Appeals, Town of Groton, CV000555218S, December 6, 2002 (Aronson, J)*

The plaintiff's obligation as a taxpayer was to furnish rental income and operating expenses related to his property to the assessor upon the request of the assessor. The plaintiff cannot decline to furnish such information on the basis that the form used by the assessor was not approved by OPM. This procedure was for the benefit of the assessor, not the taxpayer. Accordingly we conclude that the assessor properly imposed the ten percent penalty upon the plaintiff for his failure to provide the rental income and operating expenses for his marina." (emphasis added)

TEAR DOWNS WHY AND WHERE

(Best Article Winner 2006)

**By Paul Slattery, CCMA II, CCA
Milford, Retired Deputy Assessor**

What is a tear down? In the real estate world, a tear down refers to an older building that's about to be demolished to make way for another improved structure; it could be a residential, commercial or industrial building. In most cases the present structure may not represent the highest and best use of the property, because the land is worth the greatest percentage of the total package. The tear down is more likely to be located in a built up area where land is scarce and closer to an urban center.

Residential teardowns are usually located in desirable built up areas closer to an urban center, where land is scarce. The lot could be a large parcel, with public utilities installed that have a small rundown house on it that could be improved with a larger dwelling or a large mansion whose lot could be sub-divided. It could be a shorefront or lake front site with an older cottage that could easily be improved with a higher priced home. The site could be a residential parcel that is improved with an older dwelling built years ago close to the road when that feature was desired. Today it could accommodate a new dwelling set back from the road for privacy. Location and convenience are the key points.

Commercial and industrial teardowns include, vacant multi-story mill buildings, truck terminals, manufacturing buildings, all located near urban centers that are being demolished to make way for new residential multi-family developments. The reason for these new developments runs the entire gamut of social and economic trends. They include:

- First and foremost, there is a real demand for this type of development, closer to urban centers, offering all of the conveniences, of public transportation, and public utilities.
- A change in the family makeup. Baby boomers, those who were born between 1946 and 1964 are aging and their children are leaving home. The parents are looking for less yard work and possible down sizing. Younger people are delaying marriage and going out on their own, older retirees are looking for less responsibility around the house, and young childless couples are less concerned about the quality of public schools at the present time.
- Desire for more conveniences, mass transportation, entertainment and the option for what urban lifestyle brings.

- The cost of energy. With the rise in the cost of gasoline prices, the cost of commuting to work is getting to be very costly. The days of cheap transportation are gone. Another consideration related to energy is the cost of heating the larger homes that were purchased when energy was cheap. These are considerations for some to relocate to a smaller home closer to work.
- Traffic and traffic congestion are getting worse as time goes on. The time it takes to drive to work, commuting the extraordinary distances, is becoming a nightmare for commuters today. Traffic, the cost of gas and the time it takes to commute to work is a consideration as to where they live.
- The suburbs' planning and zoning departments are starting to limit the amount of residential construction being built in their communities. For builders, it is getting harder to build single-family homes in many suburban communities forcing them to look at other locations closer to the urban centers.

Therefore, you can see that the changing of the family makeup, new life styles and the demand for housing closer to work is putting greater pressure on the development of existing improved parcels closer to urban centers. Location and convenience will always be the deciding factor for successful development in these tear down projects.

IT'S A SMALL WORLD OUT THERE

(Best Article Winner 2013)

**By Paul Slattery, CCMA II, CCA
Milford, Retired Deputy Assessor**

You all know what the job of the CAAO Research/Historian committee is. To investigate the history of assessing in Connecticut and to gather further details about individual assessors that made this organization what it is today. Well that's what I was doing February 2012, when I started digging up information about David MacArthur the former Glastonbury Assessor who left Connecticut in 1979 for a comparable position in Concord, New Hampshire. Dave was a very active CAAO member in the 70s and his insertion in the next publication is important.

So the story begins with the following information. I knew that Dave had retired some time ago from the assessing profession and opened an appraisal business. I knew he sold his home in Concord about a year ago, but what I didn't know was where he was living. So I started with former Glastonbury Assessor Leon Jendrzejczyk who succeeded Dave in Glastonbury in 1979. Leon had not been in contact with Dave for a number of years and suggested that I might contact his former assistant Pauline Griffin who also worked with Dave and now lives in New Hampshire. Leon supplied Pauline address, because no e-mail was known at this point. So a letter was sent to Pauline whom I have not seen for 25± years. At the same time I searched the Internet and came across the mailing address of the New Hampshire Association of Assessing Officers. With no e-mail known, a letter went off to them also.

Within a few days, Pauline contacted me by e-mail; I always include my e-mail in letters I send, and she told me she too did not know where Dave was but would try to find out. She knew Dave's family and would do some investigating herself. Within a few days I received two e-

mails, one from Pauline who contacted Dave's son in New Jersey and he was able to supply Dave's telephone number. Pauline called Dave, who was still in Concord, and told him that I was looking for him. The second e-mail came from the President of the New Hampshire Association of Assessing Officers Rick Vincent. The letter I sent to the Association was forwarded to him. Rick knew Dave MacArthur and at first did not know where he was but he made a few calls and came up with Dave's phone number. He too called Dave and told him I was looking for him.

At this point I felt like a bounty hunter seeking its pray. By the time I called Dave he was in the process of gathering all of the information on his career because he heard that I was looking for him.

Well, I am not going to tell you anything about the write up on Dave MacArthur at this point, but I will tell you an interesting story about Rick Vincent, the President of the New Hampshire Association of Assessing Officials and a Real Estate Appraiser II in the City of Lebanon, New Hampshire Assessor's Office. It seems that Rick's father J. Richard Vincent was an assessor in four different municipalities in Connecticut. He was the assessor in Windsor from 1960 to 1963, in Enfield from 1964 to 1966, Mansfield from 1976 to 1979 and in Manchester Connecticut from 1979 to 1988.

Rick tells an interesting story about how he got into the assessing profession. Over the past year or so he read much of the historical information on the CAAO web site. He recently read the information on the October 1979 tornado that went through Windsor and Windsor Locks. This article appeared in Volume #2 on the History of Connecticut Assessors. He said that event changed his professional life. He was working in a machine shop in Windsor at the time, and was tired of seeing the same four walls every day. His father, J. Richard Vincent, was the Assessor in Manchester at the time, but was a resident of Windsor. His father had gotten many requests from insurance companies for appraisals of tornado-damaged homes in Windsor and Windsor-Locks. Due to his father's commitment to Manchester, his dad was unable to do much of the legwork, so he hired Rick to be his grunt, gathering information from town records. Rick said he absolutely loved the ability to get out into the sun and fresh air. Being young and in his 20's at the time, he didn't want to follow in his father's footsteps but thought helping him just temporarily wouldn't be too bad. Little did Rick know then that he would still be following in his footsteps 32 years later as president of the New Hampshire Association of Assessing Officials.

I thought this article would be of interest for two reasons. First it shows how associates in the assessing field have some common bond. You ask for help and they go to work in finding a solution. The second thought that comes to mind is when you go out looking for information, whether it's about a person or an event you never know how interesting the results will be. Thanks Rick for sharing your story.

Now as far as the write up on Dave MacArthur, you are just going to have to wait until the CAAO Research/Historian Committee completes Volume #3 on the History of Connecticut Assessors. You see, it is a small world out there, you never know!