



The Idaho Association of Assessment Personnel

Promoting Education • Communication • Excellence

From the President

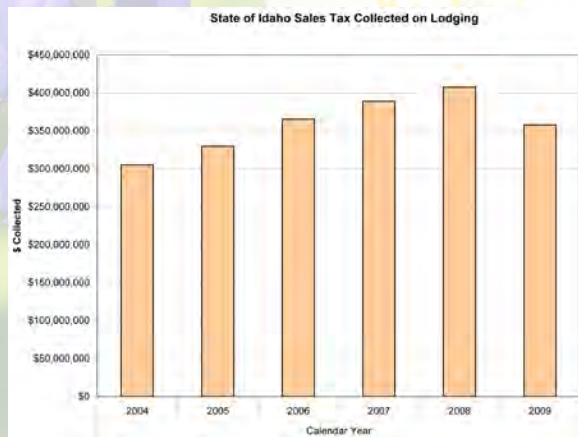
Springtime is upon us and not a moment too soon. Albeit the winter in Idaho this past year was a far cry from the past few winters we have been having, it is nice to bid it adieu and welcome spring. With spring comes the barbecues on the deck, the smell of fresh cut lawns, the warmth of the afternoon sun, and the collective clamoring of assessor offices throughout the state preparing for the annual assessment notices. Well, as far as enjoyable things about spring, three out of four is not bad.

The general consensus throughout the state from some of my constituents is that most values will remain relatively stagnant for 2010. However, in certain geographical areas, there will be property values receiving decreases as the real estate market in those areas have declined. The number of real estate transactions is down in most counties.

One particular type of property that I find interesting to monitor, especially with the state the economy is in right now, is the hotel/motel industry. According to economic analysts, hotel/motels were the first to show signs of the economic downturn and they are typically the first to come

out of it. The reason is that motels set their leases daily rather than monthly or annually, which allows them the ability to easily keep a thumb on the pulse of the economy. The graph below was created from data obtained via the Idaho State Tax Commission. The revenue collected from the lodging sales tax showed increases for five years prior to 2009. This data bucks the national average where the lodging industry has been seeing a decline in revenue prior to 2009. Last year was obviously a very rough year.

There are signs that the market may have slowed its declining direction



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Spring 2010 Edition

News

IAAP Officers



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IAAO Rep News

Have you visited the IAAO web site lately? There is always something to learn with a cyber trip to IAAO. One of the things I like about the site is the home page gives you a list of all that is new and exciting.

Of course there are always the announcements of educational offerings. Speaking of which, the 2010 Annual Conference is closer than you think especially if you want to register at the discount fee. This year's conference is going to be in Orlando, Florida from August 19 – September 1, 2010. The last day to register and receive the discounted fee is July 9, 2010. Also, this just in, the hotel room rate has been reduced to \$169. With today's tight budgets, discounts are very important.

Another new item; did you know that IAAO members can download a free copy of USPAP (Uniform Standards of Professional Appraisal Practice). It is a large file of over 400 pages or 6.38 MB, but you can have a digital copy for yourself, or with a printer, ink and a ream of paper, oh, and a cup of coffee, you can have a copy for your bookshelf. But think before you print that many pages.

Other items that can be found under the heading of "What's New" are recent articles. Currently listed is an article called "A Guide to Foreclosure-Related Sales and Verification Procedures". With today's market who isn't interested in the impact of foreclosure sales.

All of this information and more is available to IAAO members. Visit <http://www.iaao.org>. If you are not a member and would like to become a member, I can offer you half off the first year membership fees. A 2010 membership application is in this newsletter. IAAO retained 91% of its members for 2010!

As always, if you have any questions or if I can help out, please contact me.

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and perhaps leveled off. One is the sales tax revenue collected statewide on the lodging facilities for March of this year is 19% greater than last year. Another is according to realtors, the price houses are selling for has at least leveled off rather than dropping and the number of days that they are on the market has slightly diminished. Only time will tell.

George Green
IAAP President

County Spotlight: Ada



Ada County is a county in the southwestern part of Idaho. As of the 2000 Census, the county had a population of 300,904 (2008 estimate: 380,920). The county seat and largest city is Boise. Other cities in the county with over 10,000 residents include Meridian, Eagle, Kuna, and Garden City. (Ada County is by far the state's largest in population, containing almost one quarter of the state's residents, and contains its only

county highway district; the Ada County Highway District (ACHD) has jurisdiction over all the local county and city streets, except for private roads and state roads.

County Vitals

Founded	December 22, 1864
Seat	Boise
Largest City	Boise
Total Area	1060 Sq Miles
Land Area	1055 Sq Miles
Water Area	5 Sq Miles
Population Total	300,904 (2000 Census)
Population Density	285 Per Sq Mile
Time zone	Mountain
Website	www.adaweb.net
Named For	Ada Riggs, the daughter of H.C. Riggs, one of the founders of Boise.

Demographics

Avg. Resident Age	33.95 Years Old
Median Household Income	\$46,140
Avg. Commute Time to Work	19 Minutes

Assessment Statistic Overview

Total Number of Parcels (2009)	188,112
Residential Parcels (2009)	158,897
Commercial Parcels (2009)	11,550
Personal Property Parcels (2009)	17,665
Total County Wide Assessed Value	\$39.7 Billion
Total Assessed Value Change 2008/2009	-9.5%

News & Notes

Analysis Spreadsheet Design

This two day seminar will provide students with the basics of developing efficient spreadsheets. Students will learn to develop spreadsheet designs that address the handling of data sets, calculation steps, charting, and summary reporting.

Exercises will include working with data tables, analyzing data, creating charts, formatting, and printing summary information.

Anyone interested in attending this two day seminar to be held in Lewiston (date in May TBD based on interest) please contact George Green, Nez Perce County, 208-799-3148 or georgegreen@co.nezperce.id.us

New to the IAAP website

- **Employment Opportunities**
- **Link to Idaho Association of Counties website**

Visit the IAAP website (www.iaapidaho.org) today to check out these new features and more!

Determining Market Value in a Distressed Market: What are Assessors To Do?

by Alan Smith

Distressed sales, distressed sales, distressed sales, it seems that many areas are inundated with foreclosures, short sales, and otherwise distressed real estate transactions. These transactions make the task of appraising properties to market value very difficult. In this time of depressed real estate markets many, including myself have researched and analyzed the occurrence and effects of distressed sales on the real estate market. However, until recently there really has been no official recommendation on how to handle distressed sales, and whether or not they should be used for assessment modeling or ratio studies for that matter. This recent direction has been provided by the IAAO research committee on Foreclosure Related Sales and Validation Procedures. In the following italicized paragraphs of this article I have excerpted portions of the Executive Summary of this research study, which I believe provide much needed guidance to assessors and appraisers alike. As a follow-up I have also provided a brief example of useful analytical tools to measure market distress and evaluate the effects of distressed transactions on a local market.

In a depressed market there may be as many or more foreclosure-related sales than traditional market sales. As a result, foreclosure-related sales should be examined and, when reasonable, used or adjusted in valuation modeling and sales ratio analyses. In periods of real estate recession, foreclosure-related sales may be so numerous that the supply and demand curve is shifted and traditional sellers in a market area are forced to lower their prices in order to sell their property. If such conditions exist, the appraiser or assessor must determine whether foreclosure-related sales should be used in valuation modeling, in sales ratio analysis, and ultimately in their revaluation programs.

*The textbook Property Assessment Valuation (IAAO 1996, 100) states,
Market data are essential if uniformity and equality in*

assessment are to be achieved, and the best evidence of market value is the actions of buyers and sellers in the market. Sales, when consummated, are of all types with all possible conditions, and reflect the attitudes and ideas of people. The imperfect nature of the real estate market makes each sold property subject to scrutiny to learn how closely the sale conditions meet the criteria in the definition of market value.

Any foreclosure-related sale that passes the market value test is a candidate for appraisal modeling, valuation, and

Overall, it is an absolute necessity for assessors to recognize and evaluate the level of distress in their respective market area or jurisdiction in order to diligently do their job.

ratio studies. The commonly accepted definition of market value precludes the use of any sales subject to “undue stimulus” However, when foreclosure-related sales are common within a market area or property group, they may represent typical market stimulus.

Sales verification, including examination of terms and conditions, and price information are the keys to evaluating foreclosure-related sales to determine if and how they can be used. A follow-up process on foreclosure-related sales should also be developed to determine whether the property condition at the time of sale was different than on the assessment date. Significant differences may exclude the sale from being used in ratio studies but still permit the sale to be used in valuation modeling.

Under any market conditions, real property valuation is subject to the appraisal guidelines established by the Uniform Standards of Professional Appraisal Practice (USPAP, Appraisal Foundation, updated annually), as well as state or provincial legislation and regulations on

assessment practices. In market areas where foreclosure-related sales affect the sale price of other properties, they may represent prevailing market conditions and therefore can be used for modeling, valuation, and ratio studies as long as they meet the market value test. The fair and equitable assessment of all property based on market value standards must be supported by agencies at all levels of government. The integrity of assessment systems must be maintained because the property tax is a principal source of revenue for local government (IAAO Executive Summary: A Guide to Foreclosure-Related Sales & Verification Procedures 2007).

These excerpts summarize the importance of instituting an active program of sales verification and validation, along with a proactive approach to analyzing foreclosure related sales. Overall, it is an absolute necessity for assessors to recognize and evaluate the level of distress in their respective market area or jurisdiction in order to diligently do their job.

The methods for analysis are many, but at very least should include sales validation from Multiple Listing services, deed transactions, or other related validation techniques. Moreover, analysis must be completed to determine the

sales price or ratio levels and measuring differences between distressed and arms-length transactions.

Below are examples of measuring proportions of distressed sales in a market area along with a comparison of median ratios between population groups of distressed and typical "arms length" transactions. I believe that the data as indicated in the charts this provides a good example of what was referred to in the summary above when distressed sales become a "typical market stimulus". Other analytical tools may include GIS mapping tools to analyze the frequency and localization of distressed sales in a market area. More traditional appraisal procedures such as field inspections on distressed sale properties may also be helpful to evaluate the condition of these properties, and whether or not that is the driving force of variance in sale price levels. From experience I can tell you that many times there are conditional issues with distressed sale properties, from the minuet to extreme cases of vandalism. Overall, it is difficult if not impossible to employ all of these techniques with the numbers of properties ad-valorem appraisers have to appraise, however, the more validation and analysis you can complete the more accurate your assessment will be. Happy analysis!

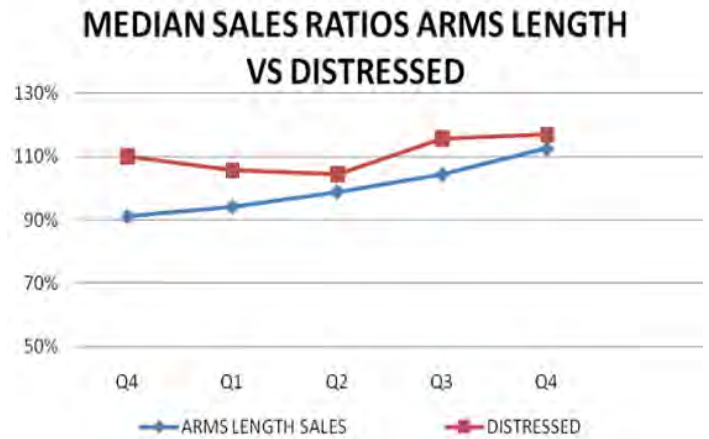
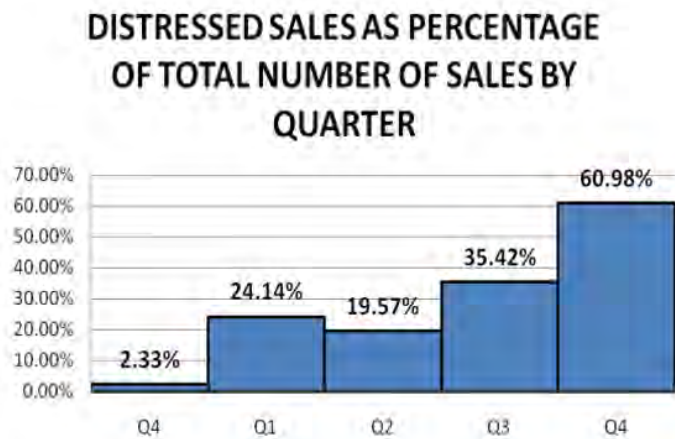


Figure 1. Distressed transactions as percentage of total sales and Arms Length and Distressed Sale Median Ratios Plotted by Quarter

References

International Association of Assessing Officers (IAAO). 2007 *Executive Summary: A Guide to Foreclosure-Related Sales & Verification Procedures*. Kansas City: IAAO

Appraisal Foundation, updated annually. *Uniform standards of professional appraisal practice (USPAP)*. Washington, D.C.: The Appraisal Foundation.

International Association of Assessing Officers (IAAO). 1996. *Property assessment valuation*. Chicago: IAAO.

International Association of Assessing Officers (IAAO). 2007. *Standard on ratio studies*. Kansas City: IAAO



Promoting Education • Communication • Excellence

The Idaho Association of Assessment Personnel

Membership Application

Name _____

Address _____

County/Agency _____

Job Title _____

Areas of specialization

- Manufactured Homes
- Commercial
- Residential
- Other _____
- Personal Property
- CAMA
- Mapping

Dues are \$15 per year, renewable January 1 of each year. Send to:

Rachel Baird, Treasurer
190 E Front Street Suite 107
Boise, ID 83702

Purpose of IAAP

The purpose of this organization is to benefit and enhance the evaluation and appraisal process of each assessing jurisdiction across the state of Idaho. To strive toward better communications between Assessors, Appraisers, and the State Tax Commission. To support education and seek practical answers to common appraisal problems. To address existing and forthcoming legislation and keep members aware of new laws and their impact. And to advance the concept of excellence and equity in the Ad Valorem appraisal process.

IAAO MEMBERSHIPS

Regular Membership

is available to: all officers, officials, and employees of a governmental authority or jurisdiction who have any or all of their duties related to property valuation, property tax administration, or property tax policy; all persons engaged as individuals, or employees of an organization, who exclusively spend their time to provide professional services to governmental officers, officials, or offices of a governmental authority or jurisdiction in support of the property valuation, property tax administration, or property tax policy functions. Professional services do not include the providing of hardware, software, equipment or the sale of either goods or services to governmental agencies.

Associate Membership

is available to: all officers, officials or employees of governmental agencies who do not have any duties directly involved in property valuation, property tax administration, or property tax policy; all officers, administrators, employees and enrolled students of educational institutions; individuals involved in or interested in property valuation, property tax administration, or property tax policy; any member of any organization, group, or association, whether local, regional, national, or international, interested in property valuation, property tax administration or property tax policy.

Affiliate Membership

is open to groups or associations of public officials, employees or citizens interested in property valuation for property tax purposes, property tax administration and property tax policy. For application and information please contact: membership@iaao.org.

Dues are payable in advance.

Please complete this application and return with payment of dues: If paying by credit card, please provide the information requested below and fax to 816/701-8149.

TOTAL MEMBERSHIP DUES

\$ _____

For information about an accredited membership designation, go to www.iaao.org.

VISA Cardholder Name (Print) _____
 MasterCard
 AMEX Card Number _____ Expiration Date _____

If paying by check, please make check payable to IAAO in U.S. Funds and mail to: IAAO, P.O. Box 504183, St. Louis, MO 63150-4183 (The returned check charge is \$25.00)



INTERNATIONAL ASSOCIATION OF ASSESSING OFFICERS MEMBERSHIP APPLICATION

Join IAAO
and register for
seminars at the
reduced member
rate!

Name _____ Title _____
 Jurisdiction/Firm _____
 Office Street Address _____
 Office City _____ Office State/Province/Country _____ Office ZIP/Postal Code _____
 Office Phone _____ Office Fax _____ Office E-mail _____
 Home Street Address _____
 Home City _____ Home State/Province/Country _____ Home ZIP/Postal Code _____
 Home Phone _____ Home Fax _____ Home E-mail _____
 Send mail to: Office Home Check here if you do not wish to receive membership e-mails.
E-mail is a vital link between IAAO and its members. It is IAAO policy not to sell, rent, or distribute e-mail addresses.
 Person referring applicant (if anyone) _____ Check here if you are an elected official.

I hereby apply for membership in the International Association of Assessing Officers and agree to comply with the requirements of the IAAO Code of Ethics and Standards of Professional Conduct. If accepted for membership, I will abide by the IAAO Constitution, pay the established dues, and comply with the Code and Standards.

Signature _____

Date _____

Please indicate if you have been convicted of a felony or crime of office which may reflect on your ability to abide by the IAAO Code of Ethics and Standards of Professional Conduct. Yes No

Office use only:
H101RE

Proration Schedule

Prices are quoted in US dollars and are subject to change. Prices are guaranteed through 12.31.10

Date Application Received	January - March	April - June	July - September	October - December
Regular Member	\$87.50	\$65.63	\$43.75	\$87.50
Associate Member	\$90.00	\$67.50	\$45.00	\$90.00

****Join in the 4th quarter and don't pay again until Jan. 1, 2012. Enjoy as much as 3 months free**

Councils and Sections Interest Areas

(you may join more than one at **no** additional charge)

- Public Utility Section Mapping and GIS Section
 Computer Assisted Appraisal Section Personal Property Section
 State and Provincial Council Tax Collection Council
 Metropolitan Jurisdiction Council

Questions? Call 800/616-IAAO



Some of the membership benefits you will enjoy include:

- Networking with your peers
- Discounts on IAAO meetings and publications
- AssessorNET—an online discussion forum
- IAAO Research Library
- Fair & Equitable—IAAO's monthly magazine
- Internationally recognized professional designations



STRUCTURES

part of the **PUBLIC SAFETY FRAMEWORK OF IDAHO**

The STRUCTURES initiative is a collaborative effort to build a statewide spatial database of key buildings focused on enhancing public safety. Our approach is to gather and assemble information from the best sources into a single dataset. A comprehensive STRUCTURES database will reduce response times for police, firefighters and ambulances and provide critical context for planning, managing and recovering from wide-spread disasters.

WHAT IS THE STRUCTURES VISION?


What would you say if you had access to a current, statewide database of high-profile buildings, hospitals, schools and other structures fulfilling both public and private needs? It would be pretty cool, right? Well, that's the vision of STRUCTURES, and with your organization's help, we can do **JUST THAT!**

This comprehensive database, part of Idaho's digital base map (collectively, Framework), will be made accessible to every agency in Idaho. It will be consistent with relevant state and federal standards and regularly updated. As a statewide collaboration, STRUCTURES will benefit both contributors and consumers. Try to recall a time when a flood or fire stopped at the county line.

That's why we're asking you to join us. If each region contributes a minimum set of structure types and descriptive information, we'll be successful.

SO, WHAT'S IN IT FOR YOU?

There are so many advantages to contributing to STRUCTURES Framework. We're taking the initiative to create it **NOW**. Why wait until disaster strikes? By partnering with this statewide effort, vital information will be available instantly to emergency responders. When minutes count in situational awareness and when hours count in staging effective disaster response, STRUCTURES will make a difference. Getting people to shelters, evacuating a valley, and allocating the right resources and staging them as soon as possible can greatly affect the outcome of an event. STRUCTURES is a vital part of the picture. Be sure your organization is "plugged in" to the spatial information super-highway. Your residents deserve it, and they will appreciate your foresight.



Enhancing public safety in our communities ...



SO, HOW DO YOU PARTICIPATE?

It's easy! INSIDE Idaho has an automated routine that harvests local data online. This allows for regular updating of the database and provides the most current information available. All you need to do is place a .zip file and an .xml file in an accessible location, and INSIDE Idaho will do the rest.

In addition to location, **only two fields are requested:**

- 1) GIS_STEW identifies your organization as a contributor, and
- 2) APA_CODE identifies the type of structure. That's it! Other information like Property Address, for example, will be gladly accepted if you have it.

Right now we are focusing on the following structure types:

- Hospitals
- Schools
- Police Stations
- Fire Stations
- Emergency Operation Center
- Jails



SPECIAL ACKNOWLEDGMENTS:

This outreach and planning effort is funded by a USGS partnership agreement.

Thanks to the Idaho Bureau of Homeland Security for stewarding Public Safety Framework.

Thanks also to INSIDE Idaho, our spatial data portal partner, for acting as the technical steward and data repository.



STRUCTURES CONTACT INFORMATION

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Eric Smith, Structures Workgroup Lead
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More information available at:
<http://gis.idaho.gov/framework.htm>



A Look Back in Time

MS511-512F



Left:
Owyhee County
Courthouse, 1940

From the collection
of the Idaho State
Historical Society

Right:
Sandpoint
Courthouse, 1901



Just for laughs



This building is the home office for the Longaberger Company in Newark, Ohio. The company has been handcrafting baskets for over 35 years. According to the company's website, the building is modeled after the company's medium market basket, but is 160 times longer, wider and taller than the actual product. The building is 180,000 square feet and is seven stories in height. The two basket handles are attached to the building with replica copper and wooden rivets and are heated to prevent ice from forming. Two Longaberger tags are attached to the sides of the building. The gold leaf painted tags are 725 lbs each and measure 25' long x 7' tall x 3" thick.

Have something to say?

Get involved! All IAAP members are encouraged to submit articles for the quarterly IAAP News publication. Did you have an interesting or unusual property to assess? Email a brief description of the property and how you appraised it, along with several photos that illustrate the distinctiveness of the property. Do you have an opinion on a current issue or problem facing Idaho's assessment personnel? Is there an event, meeting or educational opportunity occurring in your area that may be of interest to fellow IAAP members? Let us know! Send all submissions to George Green: GeorgeGreen@co.nezperce.id.us