



# Ad Val Advisor

The Newsletter  
for Wyoming  
Property Tax  
Appraisers

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♦ New Education Offering

Property Tax Division Newsletter  
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## From the Administrator

Appraisers preparing an appraisal to estimate fair market value of a subject property must always evaluate the external influences on the value of that subject property - that is, those influences which are not part of the property itself, but are external to the property. Such influences may be social, political, or economic. It is probably a fair statement to say that external influences are having an increasing influence upon the fair market value of property across the United States—and Wyoming certainly is no exception.



It can be argued that Wyoming, being a state with a relatively small population and a

wealth of natural resources, has always had property values more heavily influenced by external forces than other locales. As an example, there can be no doubt that energy prices have very significant direct and indirect influences on Wyoming property values. When it comes to those prices, though, Shanghai has a much greater influence on that external force than Cheyenne, Dubai much greater influence than Dubois. In that sense, Wyoming property values are tied to events and forces that, to one extent or another, unfold a world away.

For most of the past decade, the external forces affecting most Wyoming property values have been positive - that is, favoring appreciation in values. Increases in disposable income, low unemployment, robust commercial activity and increasing energy production



have tended to fuel a long-term appreciation in Wyoming property values. Technology has made it possible for some people to work "remotely"—in other words, live in desirable places and work from there. Wyoming (and much of the Rocky Mountain region) is one of those places. Also, homes have tended to get larger and have tended to sell for higher per square foot prices. That has translated into higher fair market values for residential property in many areas. This has caused a clamor by some to abandon the fair market value system—by, for example, artificially limiting value increases by some mechanism to soften the blow of

increased property values on taxes. Across the United States, some have even advocated removing the external influence on property value from the equation (by, for example, limiting the approaches to value to only a very structured cost approach). The problem is, of course, that "fair market value," by its very definition, includes the component of external influences on the value of property. The debate over what factors should or should not be included in a value estimate of property made for taxation purposes has been an unending one, and one that will likely continue, both in Wyoming and across the United States, for longer than most any of us will be practicing in this profession.

Unlike economists, who try to predict the future, appraisers are generally analyzing what has already happened—sales that have occurred, characteristics of property already existent, etc. Still, it's hard to resist the temptation to speculate about what is ahead. So, what does the future hold for Wyoming property values? It has been said that economists and weather forecasters are the only people in the world who can be wrong more than 50% of the time and keep their jobs. I'm not going to step out on a limb and try to predict what property values will do in Wyoming, except to say that I believe the next few years may pose some interesting challenges for Wyoming assessment professionals, mostly due to those external influences.

Two external factors that certainly may affect Wyoming property values in the future (and already have) are the previously mentioned energy prices and general

economic conditions. These two factors may act in interesting ways somewhat unique to Wyoming. There is a growing block of economists who believe that the U.S. may be heading into an economic slowdown. Such a slowdown often will lead to a leveling or even a decline in property values—and it appears that it has already begun in some parts of the country. At the same time, energy prices are predicted, by at least some pundits, to be in a long-term upward trend, albeit with some declines along the way. (As I write this, world oil prices have declined significantly from the peak reached this summer.) While energy price increases tend to hurt general consumers (and may be a significant factor in the predicted economic slowdown), they can economically benefit an energy-producing state like Wyoming.

So, Wyoming property tax appraisers may be confronted with conflicting external factors that affect property values: increasing energy prices and economic activity that enhance property values in at least parts of the state, and the potential for a declining general economy that tends to depreciate property values. Those two factors will likely affect property values in differing ways in different counties, economic areas, even different neighborhoods. Measuring those trends will be a challenging, and interesting, exercise. Having better tools, in the form of the new CAMA system and its associated programs, has probably come along just at the right time.

While we constantly work to refine the statistical and analytical processes that comprise much of mass-appraisal, we can not forget that we are attempting to scientifically measure an aspect of human behavior. That behavior itself is based on facts, emotions, beliefs, hunches, wants, and needs, and it is grounded in individuals' perception of themselves



and the world around them. In this sense, appraisal will always be, at least in part, an exercise in art.

Wade W. Hall  
Administrator  
Property Tax Division



## “A Nightmare Scenario”

Imagine this scenario: Your office has just converted to a new CAMA Software Package. You’ve spent the last 8 months cleaning-up data issues from conversion and working hard to set your values according to the new methodology. You’ve poured your life and soul into making this process work for your office. Then one Friday afternoon, a hard-drive in your new expensive CAMA server fails... Suddenly, all of your hard work for the last 8 months is gone!!! Would you, a.) Be initially distraught, but then confidently realize that you’ll be able to recover from this incident; or b.) Start pulling your hair out, go home, pack your bags and head for a non-extradition treaty island nation???



Well, your response to that question probably depends on the confidence you have in your database back-up strategy/scheme. I know we have visited this issue many times in the past, but it is worth repeating. The success or failure of your office under this new CAMA system is at least partly attributable to the ability of your office to recover from some sort of disaster (whether it is a hardware failure, an application error or data entry error).

Currently the majority of our county offices are set-up for a “logical” back-up of their Oracle database. A copy of the entire database is “exported” to a “dump” file (file extension .dmp). In most

cases, this “export” job is set to run on a nightly basis. A log is generated at the time the export job is run to indicate any errors/failures during the export process. Therefore it is vital that each county office designate someone to verify that the “export” job ran successfully. When viewing the log file, the last line of the log should indicate whether or not the job had any errors/failures.

This is a valid back-up procedure, however by itself is probably not enough to protect your office from a disaster. For example, you might have a valid export file from the previous night, but if you suffer a major hardware failure and are not able to recover that export file... Well, Costa Rica here I come...

One recommendation to avoid this is to periodically create a back-up of that export file to some external media (back-up tape, disk, etc.) and store it offsite. This can be done weekly, monthly, etc., according to your office’s needs.

Make it a point to talk to your IT staff and understand your back-up strategy. Take matters into your own hands; do not take it for granted that the back-up is being taken care of by someone else. Check the export log file on a daily basis and discuss any issues with your IT staff as soon as possible. In this case it truly is better to be safe than sorry... We have already had several near misses where a county was able to restore their database by sheer luck...

If you have any questions about where to find the export log file please contact someone at CCI’s customer support.

David Ray  
Appraiser  
Property Tax Division

## New Educational Offering

The Appraisal Services Group is pleased to be offering the "Introductory Appraisal Training Course" once again. The weeklong course is designed for new staff members with no background in appraisal and assessment. Topics



covered are the Assessor's office duties and why they exist, the need for appraisal staff, introduction to appraisal theory and practice, introduction to Marshall & Swift and how to read and write legal descriptions. Time is also devoted to physical inspections of commercial and residential properties. The course provides a good knowledge base for those entering the appraisal profession and assessment. This course is an excellent prerequisite to the IAAO course one. The Appraisal Services Group plans on offering this course on an annual or as needed basis. The class was conducted in Casper the week of September 25<sup>th</sup>, 2006 and was attended by students from Natrona, Big Horn and Washakie Counties. A second offering is being held October 16<sup>th</sup> through the 20<sup>th</sup>, 2006, in Rawlins. Any offices with new personnel are welcome to contact Jeff Moore, Principal Appraiser, to sign up. Please note that space is limited.

Jeff Moore  
Principal Appraiser  
Property Tax Division

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## Quote of the Month

"The moment you abandon ... the cardinal principles of exacting from all individuals the same proportion of their income or their property, you are at sea without a rudder or compass."

J. R. McCullich

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## New Veteran Database Seeing Some Light

During the week of 10/09/06 - Campbell, Hot Springs, Laramie, Lincoln and Teton counties will be given access to review their veteran data in the new online veteran application. Initial reviews here at DOR indicate that the conversions for these five beta counties are complete. However, we still want these jurisdictions to compare some of the veteran accounts with their own records to be sure we didn't miss anything. Once the conversions have been confirmed and accepted, a Webex training session will be scheduled and full edit rights will be issued to their registered users.



During the initial conversions, we learned a couple of things that might help the remaining counties provide a cleaner data set;

- 1) All veteran records (Veteran Table) must have an entry for "Beginning Balance". If you leave it blank, we can not assume it is "0" - so please provide an entry in

this field. Without this information, the database will not be able to calculate a veteran's "Remaining Balance", or "Total Exemptions to Date".

- 2) Spouse names must be in the Spouse Name fields, not in the Veteran Name fields.
- 3) Make sure all dates have 8 digits.
- 4) Any comments/remarks need to be in a "Notes" field, not in other fields designated for other data.
- 5) Exemption records (Exemption Table) that do not have an exemption amount (Tax Credit) or "0" will not be converted. Double check these records to make sure a Tax Credit amount wasn't left out. Don't forget "Tax Year" and "Property Type" either.
- 6) The "Value Reduction" that relates to the tax exemption (i.e. the \$2,000) is not required for conversion, but we prefer that you include it in your exemption records if you have it.

We should have an additional two counties on-line within a couple of weeks, and we're ready for more veteran files to come in. Please refer to the conversion documents when preparing your data, and call Geir @ 307.777.5432 with any questions you might have regarding the conversion process and the new application.

Geir Solvang  
Principal Appraiser  
Property Tax Division

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**Upcoming  
Property Tax Division  
Sponsored Education**

**10/17/06 - 10/18/06**  
CCI/DOR Follow-Up Training  
(3<sup>rd</sup> tier implemented counties)  
Cheyenne, WY

**12/04/06 - 12/07/06**  
Personal Property - Marshall & Swift Residential - Depreciation and Effective Age - Mapping for Tax  
Districts and Special Districts.

**12/12/06 - 12/13/06**  
“Access for Assessors”  
Buffalo, WY

**01/09/07 - 01/11/07**  
New Assessor Orientation  
Cheyenne, WY

**01/22/07 – 01/26/07**  
IAAO Course 101  
Fundamentals of Real Property Appraisal  
Thermopolis, WY

For information on classes, please contact  
Jim Felton at (307) 777-5438, or email: [jfelto@state.wy.us](mailto:jfelto@state.wy.us)