



# Ad Val Advisor

The Newsletter  
for Wyoming  
Property Tax  
Appraisers

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          ♦ Education Offering                    ♦ Personal Property Conference

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## From the Administrator

As I write this, Halloween is almost here. Before we know it, Thanksgiving will be upon us, and Christmas and New Year's not long after that. For me, it seems each passing year goes faster and faster. So, I know it won't be long before 2007 is here and, with it, the 2007 Legislative Session. Ideas for new property tax legislation are out there already, and we will surely see more in the weeks ahead. This session, being a general session, promises to be an interesting one. As is the case after every election, there will be some new faces in the State Legislature too. So, legislatively, it promises to be a dynamic year ahead.

The Property Tax Division, of course, is part of the *executive* branch of government, so we are tasked with administering the tax policy that is established by enacted legislation. The assessor, as well, is part of the "executive" branch of county government, and is likewise tasked with administering the property tax laws. This distinction, between those who make policy and those who administer it, is often lost upon the individual citizen. They often look upon government as a large, amorphous blob, and—wrongfully—assume that the Division or the local county assessor actually set tax policy.

I have spent about a decade-and a half administering property tax policy—both as a county assessor and as Property Tax Administrator—and I know how frustrating it can be to administer tax policy that I had no part in creating. I, and probably everyone in my Division, as well as every assessor and their staff people have at some point had to administer tax policy that was counter to a personally held belief. That can be uncomfortable, but it is our job and we do it. That comes with the territory when one works in the administrative branch of government.

So, what is the Division's role as we enter the legislative season? Well, in many cases our role is like that in the old TV detective show, "Dragnet" (I'm showing my age here): "Just the facts, ma'am." We look upon our role is that of providing facts—information that the legislature can use to make informed decisions on the legislative direction of tax policy. This entails making estimates—or, at least, logical best guesses (I'm going to avoid all those acronyms for guessing) of what positive or negative impacts some particular piece of legislation will have upon the tax base,

revenues, classes of taxpayers, and the like. We also must estimate the administrative costs that may be incurred by a tax policy change. All of this is usually packaged up in those infamous "fiscal notes" that circulate in the Legislature during the session.

Our hope is that the tax policy we ultimately must administer is logical (though "logical" does not necessarily equate with "easy") and unambiguous. Ambiguity, of course, helps keep that third branch of government, the judicial, busier than they would probably like.

One misconception that we would hope to dispel is that every taxing entity in Wyoming is awash in "excess" revenue. To be sure, the estimated state surplus, at around \$800 million by the latest estimates, would be the envy of most states. For county and local taxing entities, though, the picture may not always be as rosy. Unlike the state, those entities are often heavily or totally reliant on property taxes. Certainly, many taxing entities are in good financial condition—their revenue bolstered by increasing mineral, state-assessed, and local property valuations. Some entities, however, have not seen such robust valuation increases, and still struggle financially to provide the services that they are obligated to provide. Ironically, many of the "tax-relief" programs proposed over the last few years have targeted property taxes—probably because those taxes are the closest, and most visible, to the local taxpaying citizenry. Recognizing that local taxing entities are not awash in "excess" revenue, most such legislation has contained a "backfill" provision directing the state to replace the revenue lost by local entities from state funds. I will leave the philosophical discussion about this nuance of tax policy to others—

suffice it to say, though, that it makes diagramming who actually is paying which tax for what government service an interesting exercise.

In the end, there are three things we know for sure: For nearly all of human existence, there have been taxes. People don't like to have to pay them. And there has been a never-ending debate about who should pay taxes, how those taxes should be assessed, and how much tax is enough—or too much. No doubt that the debate will continue in 2007. And so it goes.

Wade W. Hall  
Administrator  
Property Tax Division

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## The Road to Disaster is Paved With Good Intentions...

Last month we talked briefly about the importance of backing up your database. This month we want to add a whole new level of complexity to that process. As we mentioned before, the majority of our County Offices are configured for a "logical back-up." That means that Oracle will generate a full export (snapshot) of the database at a specified interval (currently nightly in most counties). That export will then be stored in a "dump" file (file extension of .dmp). It is then the responsibility of each county to back-up that "dump" file to some other media (disk, back-up tape, etc.).

Another type of back-up is known as a "physical" back-up. In a physical back-up the actual database files (data files, control files, online redo logs, password and parameter files) would be backed-up or copied to another media (disk, back-up tape, etc.). Ordinarily, this would be the ideal back-up scenario, however in our scenario there are some complications. Our county databases are configured to run 24/7. The database is NEVER down. In this case, if your IT staff were to

attempt a physical back-up of the Oracle database files it would have to be done while the database is open. This is also known as an inconsistent or "hot" back-up. This is a difficult procedure to accomplish with the Oracle database. Your Oracle database must be running in "ArchiveLog Mode," in order for this to work. Many of our county CAMA databases are currently running in "NoArchiveLog Mode." The database files also need to be "prepped" for a "hot" back-up in Oracle. If your IT staff tries to physically back-up your Oracle database without accounting for these factors – it can CRASH your Oracle database. If your database does crash it is likely that you WILL NOT be able to re-open your Oracle database without performing recovery of the last known "consistent" set of database files.

This could leave your office "down" for a considerable amount of time and may even result in some data loss. It is quite possible that you could end-up in this troubling scenario simply because your IT staff started out with "good intentions" to back-up your database.

The answer to this dilemma: Communicate with your IT staff. Have a conversation with them to determine your office's back-up strategy. Do your best to try to understand the basics of that strategy (realizing that you may or may not understand the technical jargon). Finally, if you have doubts about any part of your back-up strategy, ask lots of questions. Ask your IT staff. Ask CCI's customer support staff. Ask a member the Technical Services Group at the Department of Revenue. After all, this is YOUR data and it is too valuable to leave it "in someone else's hands."

David Ray  
Appraiser  
Property Tax Division

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## Veteran Database Q&A

The data review period for the beta counties sparked some great questions that we have listed below with our answers. As of the date this article was written, review feed-back from a couple of counties was still pending, and final preparations were being made for putting the database into production.

1. Most of our vets do not have all the required information, such as Social Security Number, Date of Residency, etc. at this point. Is this going to cause problems? I am sure it will take us years to get all those fields filled in.

It will not cause any problems initially, but the system will make the user complete the required information for a veteran before a claim can be added or modified. At least initially, only veteran accounts for which claims have to be entered will have to be updated.

The Department received veterans' data in a wide variety of formats from the counties. Each county defined for itself what a "complete" veteran's record looked like. However, as we convert data into the new system, the DOR needs to raise the bar on the overall quality of the data. This ensures that integrity of the information converted into the database is consistent and uniform across the State. At a very basic level, this ensures that the system functions and calculates correctly. At a higher level, this process also ensures that the veteran's system reaches its potential in terms of providing valuable statistics to agencies, legislators, and the public.

We agree that looking up SSNs, Discharge Dates, etc. off the DD 214s can be time consuming, but it's a one-time deal, and the end-result will be more

beneficial for everyone. If you don't have all the information on file, make sure you get it when the vet/widow files his/her claim.

2. Is the CAMA ID field supposed to be parcel number (14 digits) or Realware Account Number?

This is not a required field, and can be used for any ID in CAMA that the Assessor prefers. Keep in mind that it will be the vet's SSN that ties him/her to RealWare (once the link is established). The CAMA ID can change if the vet moves to another county, but the SSN of course remains the same.

3. In regards to passwords, most people will probably want to have a more memorable password. Does each person email the DOR with a password they want or do you guys assigning them? Are you going to require that they change periodically when we are up and running?

The way this database's security currently works is that the passwords have to be assigned centrally. There is no renewal schedule for passwords at this time, and the passwords that have already been assigned will work for the add/edit rights as well (we just have to turn that security "on" for each user). If a user would like a new password, we can certainly change it upon his/her emailed request. Please note that one of the future enhancements we're looking at is for users to reset their own passwords. Remember, the passwords on this application are very important. This database does include sensitive information like social security numbers. It is important that your password remains confidential. Undoubtedly, the Department will at some point require the passwords to be changed periodically. Also, absolutely do not share your user login and password with anyone else. This is vital in maintaining the security of the database!

4. When a person exceeds the available balance it puts them at "0" available balance. If a user tries to enter another exemption for this veteran without changing their status to widow or disability, will the system allow them enter the wrong information? Basically I

want to know if this system has checks and balances against human error.

Yes, the database is packed with validation rules. In the example above, the user will have to change the qualification to widow, disabled, or unemployable to continue entering claims.

5. We have some disabled veterans at less than 100% who are still using their initial \$800 before switching to the disability benefit. They are in the system as Qualification Type "\$800 and Disability". His account summary shows an N/A for available balance. Should he actually be in as a regular vet until he uses his initial \$800, and then be changed to disabled?

"Not Applicable" (N/A) in this case means that there is no life-time limit since he continues to receive benefits after his first \$800 is used up. If a new vet comes in and shows certified disability, you can qualify him/her as a "\$800 and Disability" immediately - no need to start out as "\$800 Basic" and then changing to "\$800 and Disability" once the initial \$800 is used up. The database will monitor usage of the first \$800 before it looks at the disability % to calculate value.

6. When they run out of the \$800 does the system do anything to make sure we don't go over their allotted disability amount? For example if a person is at 50% disability and we type in a benefit of 2000 dollars, is the system going allow it?

You will not have to worry about any math at all - the database will calculate the tax break and the value for you based on the property's assessed value (could be <\$2,000), value already used for the same tax year, qualification type, disability (if applicable), available balance (if applicable), and mill levy.

7. What about the backing-up of veteran data - do I need to do anything locally to make sure no data is lost?

No. The database is routinely backed up at DOR every night.

8. Do I still need to enter the exemptions in RealWare?

Yes. Until the link between the veteran

database and RealWare has been established, you will have to enter the assessed value reduction the veteran database calculates for you into the appropriate adjustment field in RealWare.

Geir Solvang  
Principal Appraiser  
Property Tax Division

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## Quote of the Month

*Property is made the constitutional basis of taxation.  
This is not unreasonable. Governments are organized for the protection of persons and property and the expenses of the protection may very properly be apportioned among the persons protected according to the value of their property protected.  
Morrison Waite*

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## Fall Personal Property

Fall has been an extremely busy time for Personal Property and the Appraisal Services Group and I sure don't see any let up until after we get the 2007 Manuals out! We are hoping to have that accomplished before the end of December. The fall season is the time to

input preliminary values in the Draft manual for the Public Meeting, analyze and finalize them for the published Personal Property manual. In addition, we are busy with the compiling of materials for education courses and then conducting different training classes.

I recently attended the 9<sup>th</sup> Annual Multi-State Personal Property Conference in Spokane, WA during the end of September. The Multi-State Personal Property Conference is made up of mostly the Western States which includes; Washington, Oregon, Idaho, Montana, California, Arizona, New Mexico, Utah, Nevada, Colorado, Oklahoma and Wyoming. This yearly conference is a time where we as Personal Property Appraisers get together and discuss different problems that have arisen such as; uniformity in the field of Personal Property from state to state, solutions of how to handle different properties, round table discussions regarding what is happening in the industry and new ideas.

-Tax Management Associates, an auditing firm from Charleston, South Carolina gave us a presentation on the Personal Property auditing services they provide to counties. The following gives you an idea of the topics they covered.

-The state of Tennessee has approximately 30% non-reporters. They have a Supreme Court decision that the 95 counties audit their own utilities.

-Cable Companies are not reporting their drops and converter boxes and are removing them from renditions and asking for them to be exempt.

-Retailers are starting to drop off Sales Taxes.

-The values that are being turned in for Towers from Cable companies are bad values. A solution that they offered was to talk to a Tower Construction company about costs. Also, the BLM is building a data base on cell towers through out the United States that is projected to be released in 2009 – 2010.

-There is a trend that hospitals are leasing their facilities to doctors, but are still asking for exempt status.

-The age old problem of Software and Custom Software is a problem for them as it is for us. \*\*Please note: The software problem in Wyoming has been defined by the revised Chapter 14 of the Department of Revenue Rules and Statute 39-11-101 and 39-15-105 (j).

Other topics of discussion:

-Underground storage tanks and how all states value them as real or personal property, the floor or bottom out and that the EPA is demanding the tanks be double walled. In Colorado they had 10 years to replace these tanks, but declarations are being submitted with tanks that are 30 years old. Most states valued underground tanks as Personal Property and on a 20 year life.

-We discussed certification and education in all of the states that were represented. Wyoming's education is comparable to most of the other states. Some states had less and some had more criteria to become a certified appraiser.

-Upcoming legislation in some of the states; Idaho has pending legislation about the F F & E being exempt in time share properties; Oklahoma and Oregon have legislation concerning Subsidized and/or Low Income Housing being valued differently; Nevada has legislation pending for the common areas, common interest in pools and parks in Condominium Complexes become exempt.

- Discussed the importance of the e-mail network that we use to ask for help on a subject or valuation that is of concern to the uniformity of Personal Property Appraisal.

This year's conference met my expectations in the subjects we covered and the information obtained will be very helpful to the state of Wyoming as well as all the county Assessors. If you have any questions regarding this conference or the topics discussed, a good time to catch me would be at the Personal Property, Marshall & Swift Commercial Depreciation and Effective Age and Mapping for Tax Districts and Special Districts One Day Workshops offered in Casper December 4 – 7, 2006. Hope to see you there!

Joyln Stotts  
Principal Appraiser  
Property Tax Division

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## **E**ducation Offerings from the Department of Revenue

**December 4-7, 2006**

**Casper WY.**

**4 - One Day Workshops**

**1. Personal Property**

**2. Marshall Swift**

**Commercial**

**3. Depreciation /Effective  
Age**

**4. Tax Districts 101**

**December 11-15, 2006**

**Lander WY.**

**Introductory Appraisal  
Training**

**December 12-14, 2006**

**Buffalo WY.**

**DOR Access Database  
Training for Assessors**

**January 9-11, 2007**

**Cheyenne WY.**

**New Assessor Orientation**

**January 22-26, 2007**

**Casper WY.**

**IAAO 101 Fundamentals of  
Real Property Appraisal**

