



State of Wyoming

DEPARTMENT OF REVENUE

DAVE FREUDENTHAL, Governor
EDMUND J. SCHMIDT, Director

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(07-09)

February 12, 2007

Ms. Lori Schlotter, President
Colorado Customware, Inc.
1109 Oak Park Drive, Ste. 100
Fort Collins CO 80521

Delivered by e-mail

RE: Extreme Climate Cost Multipliers

Dear Lori:

I have had the Appraisal Services Group and Technical Services Group of my Division review the extreme climate cost multiplier “workaround” solution developed by Colorado Customware, Inc. It is our consensus opinion that this solution is an unacceptable method of adopting the extreme climate multipliers. Because the CCI “workaround” uses extreme climate multipliers developed for residential ranch architecture properties and applies them to *all* residential property types, an appraiser trying to correlate the value developed from Marshall & Swift for a non-ranch type property to the RealWare value would not be able to do so. In addition, the workaround does nothing to address commercial properties. Therefore, the DOR feels that the continuation in use of the “moderate” climate modifier for Tax Year 2007, though incorrect for Wyoming, is at least consistent and uniform across all property types.

Regrettably, CCI proceeded with deployment of the extreme climate multiplier workaround in several counties without the DOR’s formal approval to do so. As a result, CCI will have to remove the extreme cost multipliers in the counties in which they were deployed by no later than February 16, 2007, and to assist those counties in their efforts to undo any problems caused by the multiplier’s deployment.

I am very disappointed that a workable solution for the extreme climate multiplier was not developed by CCI, since this item has been a matter of discussion between DOR and CCI for over a year. As it stands, I do not feel that CCI has met their contractual obligation with regards to the Marshall & Swift tables (which are specifically mandated in the contract), and will not be able to do so until the permanent solution now under discussion can be properly developed and deployed.

I would also remind CCI that its contract is with the Department of Revenue. As concerned as both the DOR and CCI are that RealWare is a quality product to meet the assessors’ needs, it is

the Department, as the party to the contract, that shall determine if the system meets the contractual and statutory requirements of Wyoming.

Please advise us at your earliest convenience as to how you intend to proceed with removing the extreme climate cost multipliers from the county CAMA systems where it has been deployed.

Thank you.

Sincerely,

/s/

Wade W. Hall, Administrator
Property Tax Division

Cc: County Assessors
Ed Schmidt, Director