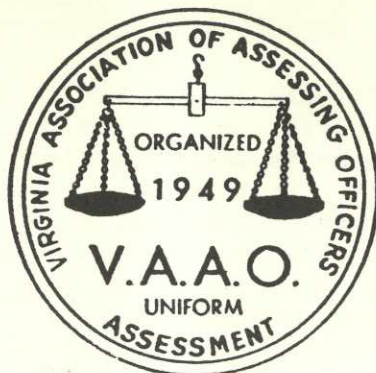


V-A-A-O NEWS BULLETIN



VIRGINIA ASSOCIATION of ASSESSING OFFICERS

AFFILIATED WITH THE NATIONAL ASSOCIATION OF ASSESSING OFFICERS

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LOCAL GOVERNMENT OFFICIALS' CONFERENCE

Final plans have now been completed for the VAAO part of the Local Government Officials' Conference to be held in Charlottesville August 23, 24 and 25, 1954.

Presiding over the panel on August 24th from 2:00 - 3:30 P.M. will be Mr. William G. Andrews, Jr., Commissioner of Revenue of Warwick City. Mr. Taylor L. Barr, Commissioner of Revenue of Winchester City will preside from 3:30 to 5:00 P. M.

Two substitutions in the tentative program were made. Mr. Charles H. Phillips, instructor in the School of Business Administration, Univ. of Richmond, substitutes for Mr. L.P. Williams. His subject is, "The Selection of Capitalization Rates." President Lonnie H. Pope will discuss "The Assessment of Fixtures as Real Estate" as a substitution for Mr. Jacob Ryerson.

All addresses indicate that a discussion -lively in nature- is sure to follow panels.

GENERAL

Dues for 1954 are now due and payable to our Treasurer. VAAO members are reminded that each member is a committee of one to secure new members for our organization. Our membership has increased each year from organization—a record we hope to maintain for many years to come. Those of you in contact with businesses eligible for our associate memberships are urged to write Secretary Forberg for our application blanks and then call on these firms in person.

VAAO Bulletins carry a complete list of our new members. With all back issues, you now have a complete list of our membership with the latest changes of address. Treasurer Orr and Secretary Forberg post changes.

CINCINNATI CONFERENCE OF NAAO

As has been announced in the Assessor's News Letter of the National Association of Assessing Officer's, the conference will be held this year in Cincinnati, Ohio, from September 26 to 29. This conference promises to have the largest attendance from Virginia of any since the Atlantic City conference. If you have not yet made the reservation at the official Netherland-Plaza hotel, you are urged to do so immediately. Should you not be able to get reservations there, the Gibson Hotel is just around the corner from the official Netherland-Plaza.

WHAT IS A PROFESSION?

A profession may be defined as being an organized vocation, the members of which are without exception highly competent, thoroughly honest and devoted to the ideal of doing the very best work of which they are capable.

One learned member of the King's Bench of England has said: "I, myself, am disposed to attach some importance in findings as to whether a profession is exercised or not to the fact that the particular man is a member of an organized professional body with a recognized standard of ability enforced before he can enter it and a recognized standard of conduct enforced while he is practicing it."

The Code of Ethics of the National Association of Assessing Officer's is a step in the right direction to attain for assessing officers a true professional status. Every member of VAAO should have a copy of this Code which appears in the March, 1954, issue of the Assessor's News Letter.

GENERAL REASSESSMENT PREPARATION

In any average year approximately twenty localities in Virginia will undergo a general reassessment of real property. In ever increasing numbers these localities are choosing to base their new assessments on an appraisal developed during an individual field inspection of each property. In developing this appraisal-assessment program the localities have customarily utilized the aid and assistance of the Department of Taxation of the Commonwealth of Virginia. The Tax Department recommends a technically trained appraiser or appraisers to the locality to assist the local Board of Assessors in evaluating the real property within the locality. Together they ascertain the equitable value of each property with relation to other like properties and to the fair market value for such properties and develop a total appraised worth for the locality. Just how this total valuation is then processed to become individual assessments is being discussed elsewhere in this publication. During the past eight years it has been clearly demonstrated that the successful application of the appraisal approach to a real property reassessment depends, to an important degree, upon the advance preparation which is made within the locality for the reassessment.

Since, under the law, every reassessment of real property must be completed within the calendar year in which it is started and since the localities vary widely as to area, population and number of parcels of real estate as well as to the amount of industrialization and other factors, it can be readily understood that the amount and character of advance planning and preparation can materially affect not only the cost of reassessment but also the calibre of the field work obtained.

One of the first, if not the most important, provisions for accurate field work is an accurate record of real property ownership. This requires that the Commissioner of Revenue supply the appraiser-assessor team with a list of owners that is up to date for all transfers as of the first of January of the year in which the reassessment is to take place.

Another question of real importance is the determination as to the degree of detail in which appraisals will be rendered and the manner in which the appraisal data will be recorded for the future use of the Commissioner of Revenue. This information will dictate the type (and cost) of field appraisal card to be used and will have a direct bearing on the size of the appraisal crew required.

Another factor contributing to the decision concerning the size of the required crew (and thus affecting the overall cost) is a careful analysis of the types of real estate to be appraised such as rural, urban, developed, undeveloped, industrialized, etc. and the relative amounts of each.

Once the job is planned, it is highly desirable to provide necessary office space and equipment for the reassessment team and to prepare certain necessary tools prior to beginning the actual field work, such as a list of up-to-date ownership and property description in a form to be carried in the field, typed appraisal cards showing ownership and description of each property, pencil tracings of all subdivisions and other land plats, if the locality does not have a real property tax map, or an up-to-date tax map if such is maintained in the locality. This all indicates an early procurement of supplies and the advance employment of special clerical help. If the advance preparation is to be performed by contributed time from an existing clerical staff this factor must also be considered.

In some localities special tools or advance preparation is necessary due to certain factors peculiar to that locality. For example, if a locality wishes to prepare a tax map in conjunction with its reassessment such special tools as aerial photographs and field mapping supplies will be required. Since it takes from six to ten weeks to obtain aerial photographic coverage for a locality, this item must be considered well in advance of the start of actual field work.

The effect that provision for, or lack of, advance preparation can have on the calibre of the field examination draws definitely into focus when considered in relation to the time limit on a reassessment as established by law. A full year's field work can not be properly rendered if the governing body of a locality reaches its decision so late that perhaps there remain only 6 months of time in which to do it.

From the financial consideration, it is also to the advantage of each locality to plan for its reassessment in time to include that item in its budgetary studies.

The moot questions for the several localities who must have a general reassessment in 1955 is; Do you know what you want to do? Are you making any plans so as to be ready early in the year?

ESTABLISHING THE REAL ESTATE ASSESSMENT. The completion of the field work in an appraisal approach to a general reassessment results in a total inventory of the taxable real property within the locality.

It now becomes the duty of the assessors to translate this inventory of appraised value into an assessment base. The Constitution of Virginia provides in Article XIII, Section 168 that "-----all taxes, whether State, local or municipal, shall be uniform upon the same class of subjects within the territorial limits of the authority levying the tax,---." The State Constitution further provides, in Section 169 of Article XIII, that "----all assessments of real estate and tangible personal property shall be at fair market value, to be ascertained as prescribed by law."

It is the usual practice within the State for localities to establish some fractional part of the full value of real property as the assessment on that property, and it is the responsibility of the Assessors, in each locality, to determine what that fractional part or assessment ratio should be.

To reach a proper conclusion in choosing the assessment ratio it is essential that the Assessors be informed concerning the financial needs of the locality and the proportionate share of this need that real property may be expected to provide. It is also important that the Assessors be familiar with the basis of assessment on the other classes of property which are locally taxed so that their treatment of real property will be in an equitable relation to the other classes.

Having selected the assessment ratio on the basis of the total appraised valuation, the Assessors apply the ratio to each individual property appraisal reducing each value by that uniform amount. This reduced value is the assessed value against which the local tax rate is levied.

When these assessments have been established the Board of Assessors usually advertises and holds a series of public hearings during which each taxpayer has the opportunity to learn his new assessment value and to protest it if he feels that it is out of line with the fair market value for his property or is not equitable with assessments placed on other similar properties.

After reviewing appraisals where complaints were received the Board may adjust their assessments either upward or downward according to their judgement in the case. The Board of Assessors then prepares and submits its reassessment report certifying the new assessments to the Clerk of Court in the Locality.

The Commissioner of Revenue in turn uses these new assessments in compiling his next subsequent landbook.

Any taxpayer dissatisfied with the final action of the Reassessment Board may petition the Court for relief. (Under Section 58-1145)

An intermediate step for review and relief prior to the Court application in the form of a Board of Equalization is a mandatory provision for Cities of the First Class and may be provided in Counties and Cities of the Second Class.

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We wish to express our deepest sympathy to Mr. Revelle M. (Pete) Young, Staff Appraiser of the Division of Appraisal and Mapping, for the recent death of his Father.

Mr. Joseph T. Samuels, former Chairman of the Orange County Reassessment Board, has recently been appointed to fill the unexpired term of the Commissioner of Revenue of that County.

We are happy to welcome Mr. Fletcher Bobbitt, Commissioner of Revenue for Mecklenburg County, as a new member of V.A.A.O.

Mr. Wm. J. Powell, formerly the Director of Delinquent Assessment Division in the Department of Taxation, has been transferred to the Individual Income Section. He will serve as Director replacing Mr. Claude E. Farrar, who resigned to accept employment in another field.

It is always good news when any of our members seek to improve their knowledge and technique in the handling of their jobs. So it is good to know that Richard R. Wooling of Princess Anne County and three of the City of Richmond appraisers; Blackley, Aron and Richard Chandler are attending the M. A. I. school at Harvard from June 21 thru June 30. We expect them to pick up something besides the accent while they are there.

The Appraisal and Mapping Division of the Tax Department announces the resignation of Mr. Harry P. Davis as of June first. Mr. Davis was serving as appraiser for the Reassessment Board in the City of Harrisonburg at the time of his resignation.

A City of Hampton ordinance calls for an annual reassessment to begin July 1, 1954. Mr. L. M. Knickerbocher, formerly associated with the Department of

Taxation and more recently as the zoning administrator for the consolidated city of Hampton, will serve as chairman of the Board.

Your Secretary and managing editor for this Bulletin, Fred C. Forberg, will welcome a communication from any V.A.A.O. member containing suggestions for the improvement of this News letter and news or articles suitable for publication in it.

The City of Covington plans to begin its regular quadrennial reassessment on July 15, 1954. The State Department of Taxation's Division of Appraisals and Mapping plans to recommend Mr. W.M. Hall as its technical assistant to their Board of Assessors.

James City County will start its 1954 general reassessment on July 1. This will be an appraisal and mapping approach to the new assessments with Mr. Wm. Allen, a Department of Taxation appraiser, rendering technical assistance to the Board of Assessors.

The National Association of Assessing Officers will hold its twentieth annual conference on Assessment Administration in Cincinnati, Ohio from September 26 thru 29. All conference sessions will be held at the Netherland-Plaza hotel. It appears as we go to press that Virginia will enjoy a healthy representation at the convention this year. If those V. A. A. O. members who plan to attend, will inform our secretary, Fred Forberg, he will be glad to furnish each with the names of the others who are going.

"Its more work to assess real estate but it hurts more to pay the taxes."
Dorman.

Congratulations are also extended to Mr. R.G. Cauthorne who has been promoted to the Directorship of the Delinquent Assessment Division of the Department of Taxation.