



TEAM Participates in First-Ever IAAO Virtual Annual Conference

The year 2020 continues to change our normal routines. The IAAO Annual Conference, originally scheduled to be held in Denver, was transformed into a virtual conference instead. Our hats off to the association on adapting in these challenging times. Whether on-site or virtually, TEAM consultants and instructors continue to be recognized and make presentations during IAAO's annual event.

Awards/Recognition



Ken Voss



Kellianne Nagy

Ken Voss, MAI, AI-GRS, SRA, CAE (TEAM consultant/instructor), received the Rosalyn Johnston Award. Named after Rosalyn Johnston for her years of service and dedication to IAAO, this award is presented to a person, regardless of membership type or status, who has contributed to fundraising and other public relations activities of IAAO over the years. The award recognizes those who have advanced the IAAO mission through the contribution of time, effort, talent and resources.

Kellianne M. Nagy, CMI, CAE, PPS, FIAAO (TEAM instructor), was awarded the IAAO Fellows title.

The IAAO Executive Board approved the IAAO Fellows Program in 2018 to recognize individuals who have dedicated their career to the development of our profession and made exceptional contributions to the Association and the assessment industry. The new program is known as the IAAO Fellows Program and the International Association of Assessing Officers Fellows title will be awarded annually to recognize the best of the best within our ranks.

Presentations

Who's Afraid of the Big Bad IEW?

Speakers: **Kara Endicott, CAE, RES** (TEAM instructor) and **Bradley Eldridge, CAE, MAI** (TEAM consultant/instructor)

So, you are thinking about becoming an IAAO instructor? The first step is attending and passing the Instructor Evaluation Workshop. For those who have not participated in the Instructor's Evaluation Workshop (IEW), it is often seen as a mystery. This session will take you through the IEW, from the first step to the last. Ever thought you could do what they do? Then this is the session for you.



Kara Endicott



Brad Eldridge



Terry Taylor

Theme Park Valuation

Speakers: **Rick Singh, CFA** and **Terry Taylor, CAE, RES, AAS, CFE** (TEAM instructor)

This presentation demonstrates the methods, techniques, magnitude, and importance of having fair and equitable assessments. We will explore seven theme parks within Orange County, FL, that provide a practical, realistic positive economic impact when establishing fair market value.

Setting the Record Straight on a County Cadastre (Part Two)

By Richard Norejko, CMS

Background

In the July TEAM newsletter, we set the record straight on what a county cadastre is: an evaluation of real estate in a county or region compiled for tax purposes. Within the last decade, some legal counsels have referred to this cadastre as the “legal cadastre.” The word “legal” connotes that it is official or absolute in his reflection of property boundaries. A County cadastre was never designed to be the official or definitive reflection of one’s property lines. County cadastres are maintained by professionals who interpret deed descriptions to objectively place property boundaries denoting ownership limits for assessment purposes only.

These professionals understand that a deed description’s sole purpose is to identify the subject matter of the grant. In other words, it only has to furnish the means for determining property boundaries on the ground. If it does that, then it meets what is called “legal sufficiency.” County personnel should follow accepted business protocols of the right of possession, senior rights, survey plats, distance, direction, and acreage when determining property boundaries within the cadastre.

As mentioned in the previous newsletter, courts of law have known for over 100 years that deed descriptions could be ambiguous, confusing, and incorrect in describing the parameters and location of the parcel of land being conveyed. This lack of precision applies to all categories of legal descriptions.

You may believe that the land descriptions within the Public Land Surveying System of the United States would be more accurate in detailing parameters of boundaries and acreages. They are when compared to the metes and bounds

legal description system found in the 13 original states of the union. However, historical circulars found in the General Land Office written by various territorial surveyor generals during the early 1800s reveal that legal descriptions of property sold by the federal government to private individuals would not match the occupation and monumented property lines on the ground. This observation is documented by an Arkansas Commissioner in 1823 who noted:

No surveyor can (for the compensation allowed) survey and layout into sections and quarter sections a Township exactly 6-mile square ... Permit me to caution you against the employment of unfaithful or unskillful surveyors. Our late returns from the Arkansas Territory are very incorrect. It is indeed a more difficult task than is imagined to survey with the correctness which the laws of the United States contemplated.

Further reasons why the county cadastre can never be the official or legal cadastre for representing absolute and accurate property boundaries are modern county cadastres were created by making well-reasoned decisions regarding the placement of property lines. Legal instruments that were incomplete, inaccurate, or overlapping required following the standard surveying protocols of the right of possession, junior/senior rights, survey plats. Decisions regarding which protocols were used to map the property lines were never documented. Map technicians made a well-reasoned opinion as to the intended locations of property lines and their associ-

ated calculated assessed acreages. The vast majority of these original mapping technicians have retired or moved on to other careers, taking with them the institutional knowledge in the initial creation of the GIS-based cadastre.

Modern geographic information system cadastres were created beginning in the 1980s. The original map compiler utilized every property owner’s deed and surveys as well as the deeds and surveys of adjoining owners. Also, they used the extrinsic and collateral evidence (occupation, fences, oral evidence, orthophoto imagery, etc.) to render a graphically depicted location of property lines *for assessment purposes*. There may not be any notes to the effect that in a situation of an overlap area, the original compiler of the map utilized senior rights to delineating ownership, thus eliminating the overlapped conflict area from double taxation. However, the acknowledgment that there may be a conflict between two adjacent owners is beneficial, more importantly, for users of the assessor’s database than to the assessment office.

Lending institutions need to know if the property they are loaning money on has any apparent deficiencies of title or property boundary conflicts. Unfortunately, they are not getting this information from the title abstract or a real estate attorney’s opinion. These professionals’ only obligation is to examine the subject property title. They rarely read legal descriptions to the extent that they compare them with neighboring properties. If real estate attorneys and title companies do not compare boundaries with adjacent owners and the county cadastre does not document potential problems of conflicts and

errors, how does a lender protect their interest?

Vizaline LLC

Vizaline LLC (www.vizaline.com) is a small Madison, Miss., company formed in 2014 that uses public information to draw property lines on Google Earth imagery to delineate property boundaries. Their clients are mostly small banks who hold notes and need to visualize the properties they are having as collateral for a loan. The company was created by a former banker for lending institutions to help bring the financial industry into the digital era. Since its inception, the company has been developing visualization tools and products to help bankers better understand their assets, protect their portfolio, and protect their customers.

According to their website, their product is "a polygon(s) of a particular property of interests, constructed

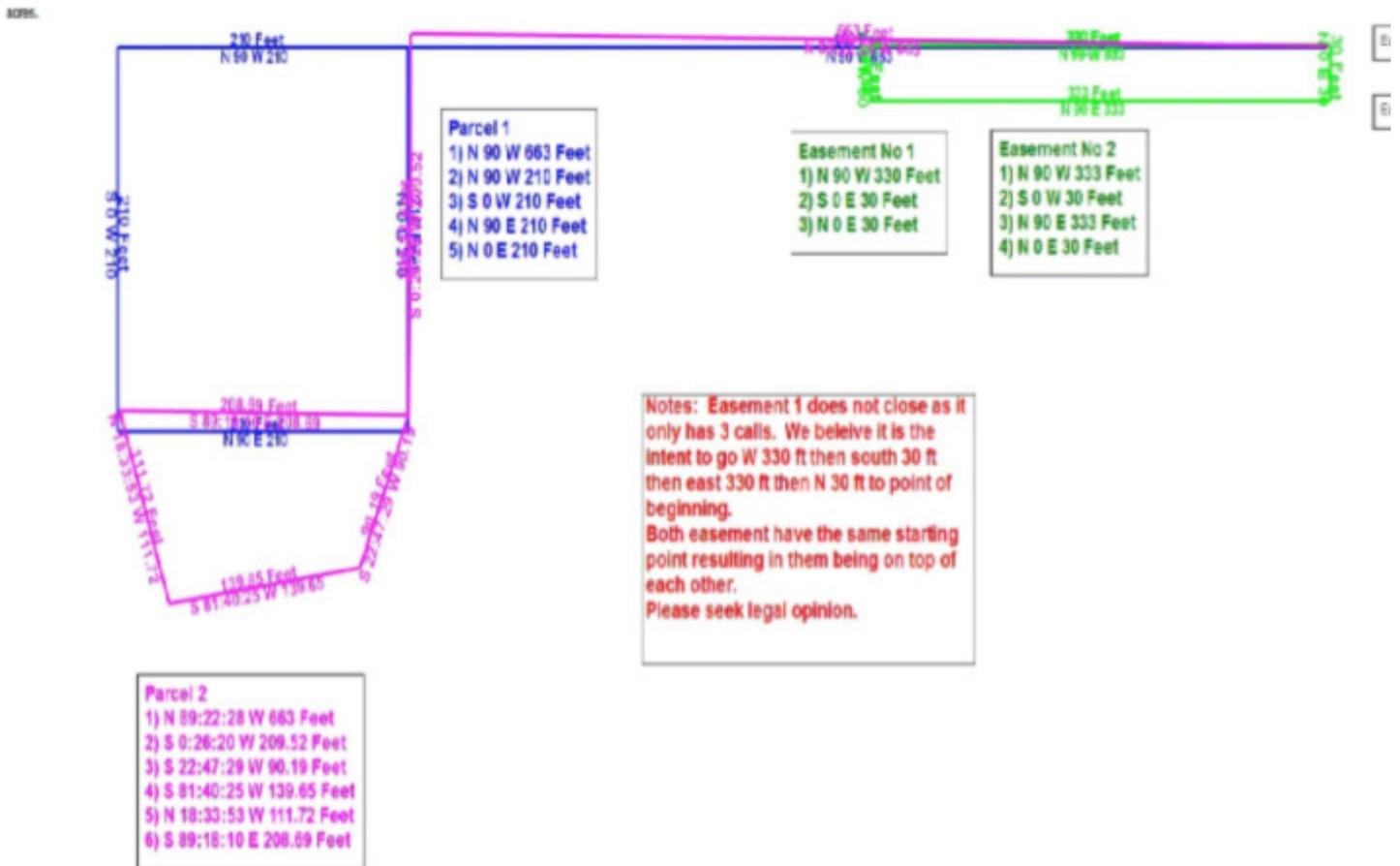
from a property description and placed on imagery for visualization and general reference purposes only. It is not a legal survey, nor is it intended to be or replace a legal survey."

[That sounds very similar to the purpose of a county assessor's cadastral database to me.] In other words,

they inform the financial institution if there is a potential problem with the legal description (a bad call, closure problems, etc.), thus allowing the bank an opportunity to address those issues before "closing" on the property.

Examples of their report are shown below.

continued on next page



By comparing the subject property description with the adjoining properties, Vizaline can generate a report disclosing any apparent defects in the legal description concerning adjacent property owners. Before instituting this service, lending institutions throughout the United States relied on the local assessment office's GIS map to alert them of errors or to supply a visual representation of the collateral property.

What happened? Have county GIS cadastres lost their credibility as a tool to show property lines as an overlay upon orthophotograph?

Beginning in the 1980s, county assessors have been utilizing GIS software with orthophotography to assist in the equitable valuation of properties within a jurisdiction. This emerging technology allowed county assessors to build their modern-day cadastres, relying on source material provided by the county recorder of deeds. Computerization provided an impressive graphic display of both imageries with overlaying property boundaries. With Internet accessibility, the county assessment database became a reliable tool for the legal community, title companies, and lending institutions.

However, the lack of proper



Rick Norejko, CMS, has over 40 years of experience in all aspects of cadastral mapping. He is a nationally recognized speaker, lecturer, author and teacher in the field

of cadastral mapping.

Learn more about Rick and the classes he teaches on the TEAM website at <http://teamconsulting.cc/instructors.html>

maintenance protocols has resulted in some misalignments of new imagery and the original GIS property layer. This misalignment of layers is noticeable when a house is shown on an incorrect lot. Another example would be a building aligned inside the rights-of-way of a street. When these phenomena occur, viewers of the cadastre lose trust that it depicts ownership interest correctly.

[Misalignment of the imagery layer with the property line layer can be caused by factors beyond the scope of this article. We will address this phenomenon in a future newsletter.]

A GIS map showing a house outside of its lot lines is not an accurate portrayal of what is actually on the ground. To resolve the situation, county mapping personnel must continually monitor the registration of an orthophoto base with their property line layers to ensure accuracy relative to the mission of illustrating and assessing property fairly and equitably. They should always follow accepted business protocols in rendering a well-reasoned opinion of where the property lines are for each parcel within their jurisdiction.

Local, state, and the federal gov-

ernment, as well as commercial enterprises, rely on the accuracy of the assessor's GIS database. County map technicians must never become lackadaisical in their maintenance protocols. These databases must always look "legal," even if they only depict property lines for assessment purposes. The county cadastre is not just for local assessment but a tool for civic administration and the national economy to work efficiently.

In the next TEAM Consulting newsletter, we will address the importance of the county cadastre to the latest cyber threat: deed fraud and the stealing of real property. The FBI has elevated the level of mortgage fraud enough to dedicate significant resources to combat what they referred to as *Operation Stolen Dreams*. We will discuss the administration and maintenance of a county cadastre as a tool in this effort of tackling property fraud. ❖

A special thank you to Rick Stuart; Ron Gibbs; Norman Cannady; David Wallis; Rob Mcgee; and Point Of Beginning magazine contributor Jeffrey Lucas, PLS, Esq. for reference material and advice in writing this series.

A new twist...

By Rick Stuart, CAE

We have all seen the collage of photos showing a house as seen by the property owner and others. This is a different twist. An appraiser from Idaho sent me this image, which she was presented by her friends.

YOUR HOME AS SEEN BY



YOU

BUYERS



APPRAISER

TAX ASSESSOR

AAS Designation

Reprinted with permission from IAAO

Congratulations to the following appraisal professionals on obtaining their AAS designation after using TEAM's AAS Case Study Review material.



Lacy Harris, AAS, audit director, Perdue Brandon Fielder Collins & Mott LLP, Austin, Texas, has earned the IAAO Assessment Administration Specialist professional designation.

Ms. Harris has been in the profession for 12 years, with Perdue Brandon Fielder Collins & Mott LLP for eight years and in her current position for six years, where her focus is on state valuation adjustments and appeals among other functions. She is on the Liaison Committee with the Texas Association of Appraisal Districts and a member of the Texas Association of Assessing Officers.



Michael L. Brooks, RES, AAS, chief deputy assessor, Thurston County Assessor Office, Olympia, Wash., earned the IAAO Assessment

Administration Specialist professional designation. He's been in the profession for 40 years with the Thurston County Assessor Office and his current position for six years. He has an MA in economics from the University of Missouri, Kansas City, and an MBA in accounting/information services from Rockhurst University, also in Kansas City.



Anne Maynard, AAS, director of client services, Appraisal Research Corporation, Findlay, Ohio, earned the IAAO Assessment Administration Specialist

professional designation. She's been in the profession and with Appraisal Research Corporation for 18 years and in her current position for a year. She holds a Bachelor of Science in business administration from Bowling Green State University and is a member of the Ohio IAAO Chapter. She is the third member of her family to earn an IAAO designation. Her grandmother, Euphemia Hoffman, CAE, was the first woman in Ohio to earn the CAE designation.

CONGRATULATIONS!

Praise for TEAM's AAS Case Study Review

I've just finished your AAS study guide and want to tell you how excellent I found the book. This book certainly serves the purpose of preparing me for the AAS Case Study exam. It is clear, concise, and complete. The problems and solutions encountered throughout this guide as well as in the practice exam, allow the student both a refresher on different techniques, as well as a method to pin-point any error in their calculations. I especially, like the chapter on calculating the confidence intervals for the median. Also, for individuals like me, who have never done quite well with items which require rote learning, I really appreciate the concise description of the concepts encountered in course 400. Excellent job, gentlemen! Thank you so much.

—Michael L. Brooks, RES



Thumbs Up for Zoom & Brad

Brad Eldridge, MAI, CAE, presented his workshops "Senior Housing Valuation" and "Valuation of Fast-Food Restaurants" via Zoom for the North Dakota Association of Assessing Officers on Aug. 12 – 13, 2020. One comment received by the association is shown below.

"I just wanted to let you know that both me and my staff that participated in the education the past couple of days thought it was well done. A very good presenter and good coverage of the material. I know how difficult it can be to do this in a zoom format. He did a great job and kept everything moving and light. Well done.

I would highly recommend this instructor for the future. We liked the format also. To be able to stay in the office and still get the continuing ed credits that we need was great. Maybe in the future this could continue to be an option for our members."

Thanks for putting it all together.
Paul Houdek
City of Grand Forks

If you would like to book a workshop or have any questions about our educational offerings, please contact Brad Eldridge, MAI, CAE at eldridge.brad@gmail.com or (785) 550-0945. All the TEAM workshops can be found on our website at <http://www.teamconsulting.cc/workshops/workshopoverview.html>. ❖

High Marks for TEAM Workshops in Idaho

TEAM was well represented at the Idaho Assessor's Annual Summer School. TEAM instructors participating were Marion Johnson, CAE; Rick Norejko, CMS; Brad Eldridge, MAI, CAE; and Rick Stuart, CAE. Students continue to give high ratings to the TEAM workshops that were presented. A 5.0 is the highest rating.

Workshops Presented:

• **Assessment Administration: Maintaining a Cadastre** (5.0 rating)

"I love all the history. I also liked hearing how other counties handle problem deeds and descriptions. I felt very comfortable sharing information and asking questions."

• **Mass Appraisal Analysis & Benchmarks** (4.7 rating)

"I liked learning about sales chasing. I liked the examples from the real world. Very informative, helped clarify things for me."

• **Valuation of Lodging Properties** (4.8 rating)

"This was a great review. This class helped me understand motels better."

• **Fee Simple & Property Rights Valuation Issues for Commercial Properties** (4.8 rating)

"Examples and case studies; very

relevant and helpful for local appraisers."

• **Customer Service – Now This is a Challenge** (4.8 rating)

"So much great information and tactics to defuse a bad situation. It was relevant and useful."

• **Valuation of Manufactured Homes** (4.9 rating)

"The course answered a lot of questions that I had prior to class. Good direction on how to find values."

• **Valuation of Barndominiums** (4.9 rating)

"The class opened my eyes to a new level of appraisal. Great information and discussion."

• **Unique and Challenging Homes** (4.9 rating)

"This was a great class with lots of examples. I liked learning about strange but awesome homes."

• **Valuation of Historic Properties** (4.8 rating)

"I liked the information and ideas on how to look at and value historic homes. The content was relevant and up-to-date; great use of real-world examples."

If you would like to book any

workshops or have any questions concerning our educational offerings, please contact Brad Eldridge, MAI, CAE, at eldridge.brad@gmail.com or (785) 550-0945. All the TEAM workshops can be found on our website at <http://www.teamconsulting.cc/workshops/workshopoverview.html>.

Don't forget: TEAM offers a series of mapping, GIS, drone and related classes written and taught by Rick Norejko, CMS and Keith Cunningham, PhD. Find them at www.teamconsulting.com. See "Mapping/GIS Workshops" under the Workshops tab. ❖

Meet Our TEAM

Brent Bailey, ASA

Kishin Bharwani

Fred Chmura, AAS, FIAAO

Ed Crapo, CFA, ASA, AAS, FIAAO

Keith Cunningham, PhD

Pete Davis

George Donatello, CMS, FIAAO

Brad Eldridge, MAI, CAE

Lynn Gering

Lath Harris, CAE, SRA

Marion Johnson, CAE, FIAAO

Dan Muthard

Richard Norejko, CMS

Henry Riley, CAE, PhD

Jerald Rudman, CIAO/M

Ron Schultz, CFA

Rick Stuart, CAE, CDEI, FIAAO

Ken Uhrich

Ken Voss, MAI, AI-GRS, SRA, CAE

www.teamconsulting.cc



Travel Squad

We've been everywhere, man

TEAM associates continue to serve in teaching, consulting and speaking capacities both in-person and via online platforms. In the third quarter of 2020, we have been in Arkansas, Idaho, Kansas, Minnesota, North Dakota, Nebraska, Oklahoma, Texas and Washington.

If you would like to book any workshops or have any questions concerning our educational offerings, please contact Brad Eldridge, MAI, CAE at eldridge.brad@gmail.com or (785) 550-0945.

All the TEAM workshops can be found on our website at <http://www.teamconsulting.cc>. See the "Workshops Overview" under the Workshops tab.

History corner:

The French Revolution and Real Property Taxation

By Richard Norejko, CMS

The peasants of the commune Avançon in southeastern France had had enough. So, they rebelled. It was April 1789, and the seed that would germinate into the French Revolution was planted. Three months later, the armory and political prison known as The Bastille would fall. The crisis that propagated this rebellion was the failure to reform the taxation policies of France. One of those taxes was a tax on real property.

Thirty-nine-hundred miles away in Philadelphia, Pennsylvania, the United States Congress was focused on the sale of federal land in a region they called the Northwest Territory. Those sales would result in private ownership of property that would be assessed and taxed to pay for local governance. Ironically, the system that was being instituted in America came from a country that was beginning a revolution based on many factors, one being the abuse of their real property taxation system.

At the time, France was a monarchy. In the long span of European history, France had been ruled by royalty and a bloodline that dates back to the 10th century. In the year 987, Hugh Capet became the King of the Franks and began a direct line of French descendants to the year 1848. Those kings initiated the concept of taxing real property for government revenue.

We can trace the seed of America's modern-day ad valorem property tax assessment to French economists. [These advisors were not called economist. That designation would not be utilized for several hundred more years. It is a modern-day term to explain the definitive role of the king advisors.] These economists advised French kings

that to remain in power, keep civil unrest to a very minimum, and to continue the bloodline, they should regulate the haphazard tax structure of France.

Their advice was to have a predictable revenue stream to pay for predetermined expenses. They stated that revenue could be predictable if a tax was placed on the real source of wealth: lands of the aristocrats and peasantry. Land, they explained, was the natural source of wealth, and taxing it would provide stable governance.

That revenue philosophy would be carried to England by William the Conqueror, who became known as William I, King of England. William would create the first official government cadastre in England with the creation of the Domesday Book of 1086. Following what he had learned from the French economist who advised the French King Henry I, William ordered the documentation of whom he had granted land to and its value—knowing that this information would be beneficial to retaining power over all of England. He did this by instituting a property survey, validation, and value procedure. Modern county mass appraisal programs would emulate these same principles.

The Domesday documentation

Virtually all of the civil government of William I, from the lowest of local officials to the *legati regis* (the team of king commissioners who took the first testimony of occupancy, possession, and value from sheriffs, manor lords, church presbyters), was involved in the mass appraisal effort. There were review appraisers—strangers, by design, to the areas they worked—who verifies the initial metes and bounds description

of the property. Every acre of every parcel was listed by ownership and classified as arable land, meadow, pasture, or forest. Mills, fisheries, and other income properties were also described. Every head of cattle, oxen, mule, horse, and poultry was counted and recorded. These field appraisers were required to list three values for each property:

- the value it possessed in the reign of Edward the Confessor. In other words, the prior assessment value when William conquered England,
- the value of the property when William bequeathed it to the current owner, and
- the estimated present value.

All this information and value calculations were described in a comprehensive assessment roll called "Domesday Book."

American Independence

Real property taxation in America began during its revolutionary period. Along with declaring independence from England in 1776, Benjamin Franklin and two other civic leaders wrote the Pennsylvania Constitution. They stated that "every member of society has a right to be protected in the enjoyment of life, liberty, and property, and therefore is bound to contribute his proportionate to the expense of that protection." Part of that contribution would be in the form of a property tax to support local governance.

Property taxation in America was not a new concept. King James I instituted the policy in 1607 at Jamestown, Virginia. In his charter to

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the Virginia Company, James stated that he would protect the land, but in return, the English living there would pay him quit rents.

As the American population increased, colonial legislators realized they had a right to levy taxes; they turned to those revenue streams that were familiar in England. Among these were taxing real property. Similar to the French connection, taxes were assessed as so much per item or acre.

After independence, the thirteen original states realized that maintaining a tax system required a representative legislative body and administration by an impartial administrative organization. The Founding Fathers realized that without economic resources, governments could not maintain order or provide the services that citizens of the new nation expected. They also knew that jurisdictional organizations should follow established rules of procedure. The legislators explicitly wrote that there should be a hierarchically organized bureaucracy with defined lines of authority, and administrative regulations should be clear and known to all interested parties. Therefore, local citizenry would have to be obligated to contribute to the governance of their local jurisdiction.

As an example, the Massachusetts Constitution of 1780 contains the following:

each individual of the society has a right to be protected by it in the enjoyment of his life, liberty, and property, according to standing laws. He is obliged, consequently, to contribute his share to the expense of this protection.

Similarly, the first Constitution of Maryland in 1776 contains the following provisions in this



King Louis XVI by Anoine-François Callet

Declaration of Rights:

Every person in the state, or persons holding property therein, all to contribute his proportionate share of public tax for the support of the government, according to his actual worth in real or personal property: yet fines, duties or taxes made properly and justly be imposed, or land with the political view for the good government and benefit of the community.

What these constitutions declare is, the state exists to protect property; what could be more fitting than to tax each citizen in proportion to the value of his holdings?

French Turmoil

The crisis in France that would eventually lead to the French Revolution began under King Louis XV. He would spend more than half of his reigning years at war piling up a mountain of debt.

His son only contributed to the national debt. By the 1780s, after another expense of war, this time for American liberty, Louis XVI was faced with a growing threat of real estate bankruptcy throughout the country. He was even facing massive deficits, like his father before him; he refused to tax the property of the aristocratic nobles who made up 1%

of the population but owned most of the property. Instead, King Louis XVI continued to heap property taxes on the lower-class property owners.

Adding to this financial crisis was the lack of administration to collect property taxes. The responsibility of collecting revenue from property taxation was directed to village councilors. Because it desperately needed income, preferably in advance, some of these councilors assigned the collection of these taxes to commercial enterprises. Strangers to the local citizenry, these “collectors” profited from everything they could collect above the tax payment due. They even used armed thugs in the countryside to collect property taxes and tributes to enforcers.

By 1789 the lower classes had had enough. Protesters exclaimed, “The lands of the nobles and the church should they not be subjected to taxation? Why protect them from it? Why subject the lands of poor people exclusively to it?”

On July 14, 1789, the Bastille would fall to the rebellion, and a period of social and political upheaval would not end for ten years.

How ironic that in the same decade that the Americans were building a country based, in part, on fair and equitable taxation on real property, the country from which the system the Americans would establish some of its local governmental revenue upon was facing a revolution. While state governments in America were designing a local (village, town, and county) tax administration system, France was in a crisis for not adhering to the most basic principles of that system, mainly taxing all property fairly and equitably.

America would not make that mistake. The system would grow and change over time but would provide more than half of the revenue for local governance. ❖

Interesting Buildings

By Rick Stuart, CAE, FIAAO

Over the years I have collected a very large number of photos I call "interesting buildings." My intention is to publish a couple each issue. If you have picture(s) of buildings that have piqued your interest, email them to me at r17stuart@gmail.com. I will add to the newsletter.



Home Sweet Castle

Submitted By Doug Will, CAE, AAS, assistant property appraiser, Tallahassee, Fla.

"A man's home is his castle". This one is right here in Tallahassee. You can even see where the cannon balls have hit the stucco.



Container Storage Closet

Stacy and Barrie Salters, of Salters Appraisal in Topeka, Kan., submitted these photos showing how you can add an instant, inexpensive master closet.

Keep those photos coming to r17stuart@gmail.com.