

MINUTES

PROPERTY VALUATION TRAINING AND PROCEDURES COMMISSION (PVC)

Flatwoods, West Virginia

November 13, 2013

Presiding: Jeff Amburgey
Director, Property Tax Division
Chairman, Property Valuation Training and Procedures Commission

Quorum Present:

Hon. Mickey Brown, Boone County Commissioner
Hon. Jason Nettles, Assessor of Calhoun County / PVC Subcommittee Member
Hon. Harvey "Eddie" Young, Assessor of Fayette County / PVC Subcommittee Member
Hon. Cheryl Romano, Assessor of Harrison County
Mr. Kurt Donaldson, GISP / PVC Citizen Member / PVC Subcommittee Member
WVU – GIS Manager, Dept. of Geology and Geography
Dr. Calvin Kent / PVC Citizen Member / PVC Subcommittee Member /
Professor, Marshall University

Members Absent:

Hon. Janice LaRue, Mineral County Commissioner

Guests Present:

Amy Jacobs, Secretary, PVC / Office Manager, Property Tax Division
Kris Pinkerman, Assistant Director, Property Tax Division
Faith Dangerfield, Appraiser Chief, Property Tax Division / PVC Subcommittee Member
Maria Gray, GIS, Property Tax Division / PVC Subcommittee Member
Ora Ash, State Auditor's Office
John Cutright, Assessor of Barbour County
Michelle Whetsell, Barbour County Assessor's Office
Arlene Herndon, Assessor of Braxton County
Irv Johnson, Assessor of Cabell County
Steve Keadle, Assessor of Greenbrier County / AWWA President
Leroy Barker, Harrison County Assessor's Office
Allen Ferree, Harrison County Assessor's Office
Sallie Robinson, Assessor of Kanawha County

Guests Present (cont.):

Janet Burke, Kanawha County Assessor's Office
Jim Priester, Assessor of Marion County
Mark Musick, Assessor of Monongalia County
Chuck Penn, Monongalia County Assessor's Office
Ernie Dennison, Assessor of Nicholas County
Terri Funk, Assessor of Preston County
Drema Evans, Assessor of Raleigh County
Mary Lou Powell, Raleigh County Assessor's Office
Stacy Layne, Raleigh County Assessor's Office
Dean Layne, Raleigh County Assessor's Office
Phyllis Yokum, Assessor of Randolph County
Arlene Mossor, Assessor of Ritchie County
Greg Vandall, Assessor of Summers County
Scott Lemley, Assessor of Wetzel County
Kevin Rake, Tyler Technologies

Recognizing the presence of a quorum, Jeff Amburgey called the meeting to order at 9:05 a.m.

1. Minutes of January 16 & 17, 2013 Meeting of the Property Valuation Training and Procedures Commission

Dr. Cal Kent made a motion to approve the meeting minutes. Mickey Brown seconded the motion. With no further discussion and all members voting in favor, the motion carried.

2. Monitoring Reports

Jeff Amburgey started the discussion by introducing Maria Gray, a GIS Programmer Analyst for the Property Tax Division, who discussed the Tax Year 2012 Mapping/Drafting monitoring.

Cal Kent questioned the status of Boone County. Mr. Amburgey stated that the employee that was assigned to Boone County did not complete the work and then resigned from the Department. Boone County will be picked up in Tax Year 2014.

Cheryl Romano questioned the status of Tax Year 2013. Maria Gray stated that everything had been completed for Tax Year 2013.

Mr. Amburgey stated that the reports for those counties were not included in this meeting's information book, but can be looked at and/or approved at the next PVC meeting. The only year being approved at this meeting is Tax Year 2012.

Mickey Brown made a motion to approve the Tax Year 2012 Mapping/Drafting monitoring. Cheryl Romano seconded the motion. With no further discussion and all members voting in favor, the motion carried.

Jeff Amburgey started the discussion by explaining the County Monitoring Summary page, which reflects the number of years that counties have been deficient in their monitoring. He further reminded the members that the standard procedure for notifying the counties of their status is that the counties that passed would receive the “Atta-Boy” letter; counties that were out of compliance for one or two years in a row are sent a letter asking what they plan to do to correct the deficiency; the second year would also get a letter to that effect with copies sent to the levying bodies; and, counties that have been out of compliance for three or more years are asked to appear before the PVC to explain their plan to correct those deficiencies, with copies also going to the levying bodies.

Mr. Amburgey then introduced Faith Dangerfield, Appraiser Chief for the Appraisal Services Unit of the Property Tax Division, who discussed the Tax Year 2013 county appraisal monitoring reports.

Ms. Dangerfield explained that the first section, “County Monitoring Summary”, depicted how long a county had been deficient and reminded the PVC members that the county would be out of compliance in the same area for consecutive years to be on the list. The second part of the Summary includes six sections under Real Estate and the Exit Conference sheets per county (this is the first time the Exit sheets have been included).

Ms. Dangerfield stated that they had looked at the percentages of where the “unsatisfactoriness” were from last year to this year and found some progress. Last year “Procedures” was at 76% unsatisfactory and this year was 69%, so there is improvement. “Appraisal Uniformity” is the other category with a high percentage. Last year was at 42% and this year was at 22%.

Eddie Young made a motion to approve the Tax Year 2013 county monitoring. Cal Kent seconded the motion. Before the motion was voted on, there was additional discussion.

Cheryl Romano wanted to discuss her monitoring and the exit interview. She stated that her county’s monitor, Lisa Arwood, came and that Faith Dangerfield accompanied her. Ms. Romano stated her county did the studies. There were reasons that they were not implemented. There were problems with the commercial modifier. Ms. Romano stated that Ms. Dangerfield agreed with her, so she did not sign off on the exit conference.

Ms. Romano asked that the deficiencies that were not changed and brought up be permitted to be addressed by Leroy Barker and Allen Ferree, her commercial appraiser.

Jeff Amburgey stated that before Mr. Barker and Mr. Ferree were permitted to speak, that first Faith Dangerfield be able to speak on the State’s behalf. Cal Kent wanted clarification that the only topic to be addressed would be the residential land tables that was in the monitoring

report as deficient. Faith Dangerfield stated that the modifier did pass it, was deficiency of the residential land tables that had no studies submitted.

Mr. Amburgey asked the PVC if it was their will to let Leroy Barker and Allen Ferree address the Commission regarding Harrison County's residential land tables (only).

Leroy Barker and Allen Ferree, of the Harrison County Assessor's Office, handed out information to the members for their review. Cal Kent asked if the information was exactly what had been submitted to Faith Dangerfield and Mr. Barker stated that it was. The PVC allowed the gentlemen to speak, but Ms. Romano wanted it on the record that she was not pleased with how the interview was conducted and it was her understanding that other counties have encountered this same issue and she felt that it was important to bring this to the attention of the PVC. Mr. Barker stated that the residential land tables were the only item being shown on the exit conference papers; however, during the actual exit conference there were other items they were being written up for

Mr. Barker stated that Ms. Arwood was especially upset about the 3-page report (Page 7) that was for all grades of home-sites. There was a farm use study that Ms. Arwood said the county didn't use.

Faith Dangerfield asked that the farmland study be discussed as Ms. Arwood had stated that the study showed \$1,760 for the tillable C but the table was at \$800. Mr. Barker stated that Ms. Arwood had questioned his farm use study not his farmland study and that she did not understand the market adjustment. Ms. Dangerfield further stated that from 2011 to 2013 there is still not a full land table study, so the decision would rest with the PVC. Mr. Barker reiterated that there was a study; the county just didn't implement the findings. But the county is not going to put a study out that contains bad information.

After much discussion between Harrison County personnel and the PVC members, Jason Nettles wants to address how the monitoring procedures should be changed. Cal Kent discussed land table problems. It was suggested that "Recommendations" should not be recorded in black ink. For next year that should be changed to a color – like "U" is in red.

Eddie Young amended the motion to approve the Tax Year 2013 county monitoring with the exception of removing Harrison County from the unsatisfactory category or deficiency list. Jason Nettles questioned the practice of requiring a county to implement a study that is bad. He stated that this is not a one-time occurrence and will continue to happen. Eddie Young stated that everyone needed to understand that appraising is not perfect. He felt that the monitors need to understand that there is not a stamp to process appraisals. There are variances to be considered. He fears that there will be continued conflict between the counties and the Tax Department until a resolution is found. Kurt Donaldson asked if there were prior complaints on Lisa Arwood. Faith Dangerfield stated she was not aware of any other complaints. **Kurt Donaldson then seconded the motion. With no further discussion and all members voting in favor, the motion carried. Cheryl Romano abstained from the vote.**

Cal Kent made a motion that the State Tax Department would send the monitoring deficiencies letters to the first and second year counties asking them for an explanation and an improvement plan. Third year and more will be sent a letter asking for an explanation and response and also asked to appear at the January PVC meeting and the levying bodies will receive a copy of the letter. Jason Nettles seconded the motion. With no further discussion and all members voting in favor, the motion carried.

3. PVC Subcommittee Report

Mr. Amburgey stated that at the last PVC meeting a motion had been made to form a PVC Subcommittee to study monitoring and mapping, among other issues.

Kurt Donaldson, a PVC and PVC Subcommittee Member, stated the PVC Subcommittee met on May 1, 2013 and again on September 5, 2013 and recommended that new digital guidelines for tax maps be considered and approved by the PVC at the November 13, 2013 meeting. Since certain existing map regulations date back to 1990 and only apply to paper tax maps, the Subcommittee recommended that these new guidelines be adopted to address the increased use of geographic information systems (GIS) and web-based technologies that have revolutionized the ability of assessors to disseminate, access, and link parcel data. These recommendations would require Legislative changes.

The first recommendation to West Virginia Code 11-1C-2 is that the word “electronic” be added so that the tax map rules apply to both paper and digital tax maps. Specifically, “(h) “Electronic” means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities” and “(i) “Paper” means a tax map or document that is not electronic”.

And then to update the Code 11-1C-4(3) (d) “The commission shall have the power to make such rules as it deems necessary to carry out the provisions of this section, which rules shall include procedures for the maintenance, use, sale – and strikeout, “and reproduction of microfilm, photography and tax maps” – and adding the words “reproduction, and distribution of paper and electronic tax maps”. The remaining existing portion of the Code would remain.

Also, under 11-1C-7(e)(1), “The county assessor shall establish and maintain as official records of the county tax maps of the entire county drawn to scale or aerial maps, which maps shall indicate all property and lot lines, set forth dimensions of areas, indicate whether the land is improved and identify the respective parcels or lots by a system or numbers or symbols and numbers, whereby the ownership of such parcels and lots can be ascertained by reference to the appropriate records: Provided, That all such records shall be established and maintained and the sale, - strikeout “and reproduction of microfilm, photography and tax maps” – and adding the words “reproduction, and distribution of paper and electronic tax maps” – shall be in accordance with Legislative rules promulgated by the commission.”

Cal Kent made a motion to recommend the recommendations. Eddie Young seconded the motion. With no further discussion and all members voting in favor, the motion carried.

Kurt Donaldson went on to state that the PVC Subcommittee also had recommendations to revise the Legislative Rules pertaining to maps.

Title 189, Legislative Rule, Series 5, Tax Map Sales was last approved by the PVC in 1992. The Subcommittee recommends that the Tax Map Sales rule be repealed and replaced with a newer version using the same title-series number and title. The current rule contains no guidelines for the sale and online viewing of digital tax maps. The revised guidelines would establish rules regarding the sale and viewing of electronic tax maps and cadastral GIS data. It would also provide price schedules for paper and electronic map sales and allow assessors flexibility and latitude as it relates to the viewing and distribution of digital tax maps. He stated that the PVC did approve a tax map sales ruling in 2007 but it was retracted by the State Tax Department due to the Seneca lawsuit. He further stated that if the Rule is approved by the PVC, there is a 30-day comment period. Then it must be approved by the Legislative rule committee, who will send it to the Legislature.

There was much discussion between Kurt, the other PVC members and county assessors that were in attendance regarding the maps, fees charged, the Courthouse Facilities Improvement Fund, digital map subscriptions, the ownership of tax maps and the proposed changes.

Jim Priester, the Assessor of Marion County, spoke at length regarding his concerns, suggestions and experiences with this issue.

Kurt Donaldson asked if the PVC wanted to make a recommendation now or send this back to the Subcommittee for amendments. There was discussion among the members. Eddie Young stated that perhaps the issue should not be rushed, but should be shared with the assessors and their input received before decisions were made.

Jim Priester spoke again. He suggested that he would create a spreadsheet containing all the products, such as aerial photography, for county assessors to comment on the charges – to survey the assessor's offices. He will send it out, via List Serve, and share that information with the PVC Subcommittee.

Kurt Donaldson made a motion to send the recommendations back to the Subcommittee for further review. Cal Kent seconded the motion. Cheryl Romano stated she didn't want Digital Courthouse to be a part of the Committee. With no further discussion and all members voting in favor, the motion carried.

The county assessors present were asked if they had any comments they would like to make. Cabell County Assessor, Irv Johnson; Raleigh County Assessor, Drema Evans; Phyllis Yokum, Randolph County Assessor; Greg Vandall, Summers County Assessor; and, Preston County Assessor, Terri Funk, all spoke.

Short Break at 11:10 a.m.

Kurt Donaldson resumed the meeting with the discussion of the proposed changes on the Maintenance and Publishing of Surface Tax Maps Rule.

Specifically, the Subcommittee recommended that the Title 189, Procedural Rule, Property Valuation Training and Procedures Commission, Series 3, Statewide Procedures for the Maintenance and Publishing of Surface Tax Maps be amended so that all symbols and annotations on Finished Tax Maps shall be legible when the original maps are reduced by 50%. This amendment is consistent with other rules for creating tax maps; that is, the tax maps convey parcel information and other geographic features in a manner that is visually appealing, legible, accurate and consistent.

Cal Kent made a motion to make the recommended changes to the Procedural Rule. Jeff Amburgey stated that procedurally, this must be filed with the Secretary of State's Office and there is a 30-day comment period. This is not a Legislative Rule. The filing would come from the PVC, as it is a PVC rule. This does not require a second as it came from the Committee. With no further discussion and all members voting in favor, the motion carried.

Kurt Donaldson stated that the Subcommittee also recommended that the following mapping recommendations be reviewed and investigated by the Property Tax Division for implementation:

- 1) Staffing: Identify a Lead GIS Manager or Program Supervisor for surface tax maps.
- 2) Outreach & Training: Develop and sponsor effective GIS training programs for assessors and mappers. Provide outreach and technical support services to include publishing map resources (standards, best practices, etc.) on the Property Tax Division's website.
- 3) Data Sharing: Ensure there is a reciprocal relationship between the Property Tax Division and counties for sharing mineral and surface tax parcels.
- 4) Standards: Develop uniform statewide GIS database standards.
- 5) GIS/IAS Integration: Supervise integration of county statewide GIS parcels and IAS records into a statewide layer for "viewing only" purposes. Develop an easy process for counties to download IAS data to merge with GIS parcels.
- 6) Maintenance: Establish a digital maintenance program for counties that need to outsource parcel maintenance. Assist counties interested in locating reputable vendors to outsource digital parcel maintenance.
- 7) Monitoring: Update monitoring procedures. When monitors are writing county inspections reports, ensure the appropriate regulations are cited for deficiencies.

Kurt Donaldson made a motion to submit these recommendations and receive feedback to the Subcommittee or a progress report a year from now. This motion did not require a second as it came from the Committee. With no further discussion and all members voting in favor, the motion carried.

Break for Lunch at 12:00 p.m.

Jeff Amburgey announced that Ora Ash, from the State Auditor's Office, would need to be leaving the meeting, so before the monitoring discussion resumed, an item under "Other Business" was going to be discussed.

5. Other Business

Specifically, on October 28, 2013, PVC member, Cal Kent submitted a resolution to be considered by the PVC that relates to the proposed valuation fund budgets. It stated:

"Be it Resolved: That the rules and procedures of the West Virginia Property Valuation and Training Procedures Commission be changed to allow the Director of the Property Tax Division or his/her designees to approve at his/her discretion changes without approval of the PVC in the valuation fund budgets which are not in excess of 10 percent of the valuation fund or \$10,000 whichever is less."

Dr. Kent stated that he felt the members received a significant amount of budget revisions that were very minor, small in dollar amount and contained no controversy.

Ora Ash stated that as long as the PVC members were in agreement and the State Tax Department understood the guidelines to follow, he didn't see a problem. He wanted to clarify that the resolution meant that this was 10% of the entire Val Fund. Cal Kent stated that Mr. Ash was correct, with the stipulation that there was a cap of \$10,000. If the revision were for more than \$10,000, the revision would still require the approval of the PVC members.

Cheryl Romano asked for clarification if this pertained to categories or line items. Mr. Amburgey informed her that this was for category changes. The PVC never got involved with the breakdown of line items.

Cal Kent read the resolution and made a motion for approval by the members. Kurt Donaldson seconded the motion.

Cheryl Romano asked Ora Ash if the county commissions already followed this procedure. Mr. Ash stated it basically was the same. If the change was within the General Fund Account #406, the county commission can approve it, but if they are changing the total in the #406 Account, it must also be approved by the State Auditor's Office.

With no further discussion and all members voting in favor, the motion carried.

3. (cont.) PVC Subcommittee Report

Mr. Amburgey restated that at the last PVC meeting a motion had been made to form a PVC Subcommittee to primarily study monitoring, among other issues.

Dr. Calvin Kent, PVC Subcommittee Chairman and Faith Dangerfield, PVC Subcommittee Member discussed the issue. Dr. Kent stated the PVC Subcommittee recommended that the current procedures in the monitoring plan be revised as follows:

- 1) “Procedures” in the plan be broken into 3 categories that will pass or fail (each one of these would be reviewed and monitored separately):
 - a. Residential Procedures
 - b. Commercial Procedures
 - c. Ag Use Procedures (Monitoring Plan Exhibit 10)
- 2) A response form versus a letter will be sent to the assessor with the final findings found by the PVC for them to give their plan of action in the deficiencies and give any detail comments about the monitoring (Monitoring Plan Exhibit 11).
- 3) USPAP should be considered for appraisers in West Virginia.
- 4) Mapping will be monitored at the same time as real property but still on the 3-year cycle. (Other Mapping recommendations were covered by Kurt Donaldson.)
- 5) The Subcommittee suggested that the Property Tax Division consider looking into a State license for Marshall & Swift to share with the counties. Also possible support for mapping needs.
- 6) Income Approach to value may need to be PVC’s focus for training to counties.
- 7) Farm land valuation review with counties and ensure for Tax Year 2014 it is expressed again as it was in the PVC workshops:
 - a. USDA Farm Rents to smooth variation do a 3 to 5 year review.
 - b. Cap Rate Review
- 8) Review sales chasing reports with PVC.

Faith Dangerfield discussed the advisory report that was to be shared with county assessors. She stated that this report would be mailed to the counties with their findings and PRDs, as advisory only.

The final issue discussed was the recommended changes in the County Monitoring Plan, discussed by Faith Dangerfield. There was discussion among the members and the assessors in attendance regarding improved properties, clarification on portions of the Plan and the county modifier.

Cal Kent made a motion to accept the Monitoring Plan for Tax Year 2014. Kurt Donaldson seconded the motion. With no further discussion and all members voting in favor, the motion carried.

Jeff Amburgey stated that if the assessor members of the PVC would like to discuss the sample size at the next PVC meeting, it can be put on the agenda.

4. Budget Revisions for FY2012-2013 and FY2013-2014

Jeff Amburgey started this discussion by stating that there were several budget revisions for Fiscal Year 2012-2013 (which had already ended) that had received preliminary approval, but there had not been a meeting to give final approval to these revisions.

Jason Nettles made a motion to approve the budget revisions for Fiscal Year 2012-2013. Eddie Young seconded the motion. With no further discussion and all members voting in favor, the motion carried.

Next, the budget revisions for the current Fiscal Year, 2013-2014 were reviewed. Jeff Amburgey explained the process of the Chief Inspector Division of the State Auditor's Office providing, each year, to the State Tax Department, the county clerk's statement of the ending balance in the valuation fund. The State Tax Department then notifies the assessor's office if there is a carryover and requests that a budget revision be submitted to balance the fund figures. The counties that receive a letter from the State Tax Department requesting the information are required, if there is carryover in the budget and not a decrease, to provide an explanation of what they plan to do with the money. These revisions had also received the preliminary approval but needed the final approval of the PVC.

Mickey Brown made a motion to approve the budget revisions for Fiscal Year 2013-2014. Cheryl Romano seconded the motion. Jeff Amburgey noted that Wyoming County generally has a large carryover and is asked to explain what will be done with the money. In this budget revision, the county has plans to contract with Tyler Technologies and Pictometry to update aerial photography... **With no further discussion and all members voting in favor, the motion carried.**

Short Break at 2:10 p.m.

5. Other Business

Jeff Amburgey and Amy Jacobs discussed a handout entitled, "January 16 – 17, 2013 PVC Meeting To-Do List", which is an excerpt from the meeting minutes that addressed issues or topics that required further attention from the State Tax Department or the PVC. Some of the items listed were things that were to be re-addressed at the next PVC meeting (which was this meeting).

Number 9 on the list stated that if an assessor were asked to appear before the PVC that they should make every effort to do so. If the county assessor cannot attend (as was the case in the January 2013 meeting with Judy Collett of Taylor County), they need to send a knowledgeable representative on their behalf, but to simply not attend or be represented, is unacceptable.

There was no motion made, but all members were in agreement that if a county assessor were asked to appear but could not, that they send a knowledgeable representative from their county on their behalf.

Number 12 on the list stated that if any county's carryover is over 50% of their total budget, they would be asked to appear before the PVC to explain it.

Jeff Amburgey suggested that when the county's actual budget is received and the initial review is performed and the schedule is prepared by Mr. Amburgey, if it is over 50% he will send the PVC members the dollar amount and the percentages and the decision can be made as to which counties need to be called to appear at the next PVC meeting. He further stated that as is the process with Hiring Approvals, it would only take one member to request a county to appear.

After discussion among the members, it was decided that Jeff Amburgey would send the budget charted information, depicting their dollar amounts, percentages, and the county's budget history, along with the county's Justification Page from their budget, to the members for their review to decide which counties will be asked to appear to discuss their budget carryover.

There was no motion made, but the members agreed that there was an understanding of the process to take place.

Jeff Amburgey stated the final topic under "Other Business" was the staffing concerns within the Property Tax Division of the State Tax Department. Specifically, the Appraisal Services Unit, which contains the employees that perform the monitoring duties previously discussed, is short-staffed. The Department is losing many employees to the county assessors' offices, as the counties generally offer higher salaries than the State. Mr. Amburgey went on to state that there may be a time in the near future that the State presents to the PVC that the monitoring duties may need to be revised again in order to be completed with the lesser staff members.

After discussion among the members, Cal Kent requested that it be recorded in the minutes that the Division of Personnel should be addressed in reference to the starting salary for the Appraiser Senior positions.

The final issue discussed was a document submitted by Don Orser, a concerned citizen, which he requested be delivered to all PVC members.

With there being no additional Other Business to be discussed, **Mickey Brown made a motion to adjourn the meeting. Jason Nettles seconded the motion. With no further discussion and all members voting in favor, the motion carried and the meeting was adjourned at 2:45 p.m.**