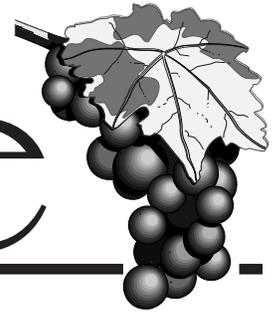


Grapevine



Summer 2005
Volume 10, Issue 2

Meet Syndi Gates

Syndi's career path and perseverance are excellent examples of the developmental opportunities available to DOR employees.

I graduated from Waldport High School in 1973 then attended Merritt Davis School of Business. I began my lengthy career at the Department of Revenue on September 24, 1974 as a secretary 2 in Office Services Center working in the Transcription Unit.

In 1976, I transferred to the newly formed Text Processing Unit for a 1-1/2 years, and then to Photocopy.

In 1978 I was given a promotional opportunity as an administrative assistant I in Assessment and Appraisal Division (A&A) in the Timber Unit. I worked for Artell Amos and the eastern Oregon county field offices. I worked with the Timber staff for seven and a half years when, in 1985, I was selected for another promotion in the Utility Section of A&A as an administrative assistant II.

The legislature made major changes in property tax administration starting in 1986 when many industrial appraisals shifted from the department to the counties. Another change was the merger of the Industrial and Utility sections that resulted in my becoming supervisor of the new section's clerical staff. In 1991, more changes led to many Department positions being cut including mine. I was later restored to my prior position as an administrative assistant II.



Syndi Gates

In 1995, I was one of two participants in a two-year career development position within the Assessment and Taxation Standards Unit. I first worked in Special Programs with Roger Clymore on Personal Property, and then with Bruce Tindall revising the Farm Factor Manual.

In 1998, I promoted to an appraiser analyst 2 in the Valuation Section. A year later, I passed my appraiser's exam. The next year, 2000, brought another promotional opportunity: I was selected as a personal property analyst in the ATS Section. My desk partner Roger Clymore, retired in 2002, leaving me as the sole Personal Property guru until 2004 when Dennis Leckington was hired to work with the Personal Property and Exemptions programs. Some of my most rewarding accomplishments have been working with the counties' staff and presenting

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**Look for the
Union County Courthouse
in this issue.**

Grapevine Goes Electronic!

**A Message from
Grapevine Lead Editor
Christie Wilson**

As you know, *Grapevine* is available to all subscribers in electronic format. We are very excited to keep you updated about happenings in the Property Tax Division of the Oregon Department of Revenue (DOR). We also bring you news from the county assessors.

New subscribers who want to automatically receive *Grapevine* will need to subscribe. However, you can find all recent *Grapevine* issues at DOR's Web site, www.oregon.gov/DOR/PTD/grape.shtml.

If you know someone who would like to receive *Grapevine*, please forward this information to him or her. Anyone may receive our newsletter.

To receive *Grapevine* electronically, subscribe through the Oregon State Library's Web hosting service:

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June 2005

Grapevine Case Summaries

By DOUG ADAIR, AAG

Trendwest Resorts v. Department of Revenue and Clatsop County Assessor, TC No. 4645

A developer sought construction exemption for the portion of a mixed-use residential and retail project that was not occupied on the lien date. Although the property's ownership was later divided under a condominium plat, the project did not qualify for tax exemption because there was one ownership on the lien date and portions of the property were occupied and in use at that time.



Yanez v. Washington County Assessor and Department of Revenue, TC No. 4711

At trial, in a residential valuation case where the taxpayer's recent purchase price supported the roll value, they offered four unadjusted sales that were either not comparable to the subject or did not support their contended value. The court found that the taxpayers' position was entirely devoid of legal or factual support, and awarded damages to the DOR under ORS 305.437 and attorney's fees to the county under ORS 20.105.

Weston Holdings, LLC v. Multnomah County Assessor, TC-MAG No. 031039B

A developer sought construction exemption for an office building shell completed on the lien date where interior improvements were to be finalized only after securing a tenant's lease. The county denied the exemption on the basis that there was no construction activity as of the lien date. The court found that, under ORS 307.330, the "process of construction" meant a period defined by distinct beginning and ending points, not any specific activities on specific dates. The court also found that, for this property, the construction process was not complete on the lien date.

ELECTRONIC continued from page 1

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training to them the wonderful people here at the department participating in the Multi-state Personal Property Association, and working for the department for 30+ years.

Over the years, I have seen the reality of phones coming to every desk, followed with computers. The ban on smoking in the office was quite a change for everyone.

I have two daughters and a beautiful granddaughter with a second grandchild due in July. I have a 3-year old, 8-pound phantom poodle named Mocha, (black and red) with the heart and attitude of a rottweiler. During the last seven years, I have learned (but not perfected) the art of fly-fishing. I enjoy cross-stitching, reading, camping, baseball games (go Mariners), learning to golf, and spending time with my best friend, Jim.

We are planning to retire to Central Oregon. Before we settle down, our goal is to load the fifth wheel and travel to every Major League Baseball park in the United States and Canada, and seeing many of the wonderful sites the states have to offer along the way.

If I were to leave any bits of wisdom it would be to have fun while you work. You spend one third of your life at work, you should enjoy it.



Union County Courthouse

Karen's Korner

By KAREN GREGORY, PROPERTY TAX DIVISION ADMINISTRATOR



A Stream of Success in Property Tax Division

We are undergoing quite a staff change in the Property Tax Division. Many of our experienced folks are retiring or moving on to other positions around the state. We value the contributions they have made to the division and will certainly miss them.

As I was thinking about their departure, I began to concentrate on the exceptional work that everyone in the Property Tax Division has accomplished and how their work contributes to the health of the counties... so here goes Karen's stream of consciousness.

Valuation sets the values for the primary and secondary industrial sites, and all of the centrally assessed utility companies on behalf of the counties. The Electronics team just finished some complicated work on Intel and received a dynamite letter of praise from Washington County assessor, Jerry Hanson, for their great work!

The Food team has cleared well over half of the backlogged appeals in the distressed industry. It is now focused on a handful of existing appeals. Staff members also worked with the Department of Agriculture and industry representatives on a number of legislative issues.

The Utility team worked through a "lessons learned" process in response to some recent events. As a result, the team developed a tax court work plan that can be used by the entire section to manage appeals as they move through the process. The Utility team also did good work on legislation involving PPM (Pacific Power Marketing) a case involving the development of an electric generation plant with the city of Klamath Falls and the Intertie case. The Intertie is a grid of electric generation equipment that is spread from California to Washington state.

The Comprehensive and Wood teams are conducting more fieldwork, performing more site visits, and completing more appraisals. The Data team is cleaning up appeals' tracking records to manage them more effectively.

The ATS (Assessment, Taxation, and Standards) Section provides oversight and support on many county functions. ATS folks are busy providing annual assistance to the state Utility team and counties in the valuation of electrical cooperatives and wind turbines. ATS staff is picking up the pace in populating the database for communication sites. This includes discovery and proper appraisal of these facilities.

Appeals never go away. ATS supports the counties in their residential, assisted-living facilities, and resorts appeals, to name a few. ATS, along with the counties, just completed the 2005 CAFFA grant process. We are now in the midst of the mandated ratio review process. This process evaluates how well the counties are performing in establishing real market value (RMV).

Our appraiser continuing education employees have been busy with their core appraisal classes. They have developed new classes, including the first Web-based set up in Excel and a new class on roll corrections. New classes that offer instruction on the residential cost factor book and construction technology are coming in the next few months.

Our crack field staff partner one-on-one with the counties to assist in Measure 50 calculations, procedures for farm/forest special assessment, and valuing home sites on specially assessed land. The ATS-facilitated tech groups provide a vehicle for information exchange and continuing education. For example, during the past year, the Commercial Tech group sponsored training sessions on the valuation of "big box" retailers and assisted-living facilities. Another area where the ATS staff provided assistance to the counties is in the appraisal of unique properties, such as resorts and contaminated properties.

Local taxing districts benefit annually from the local budget training provided by the Finance and Taxation

The work we perform, along with the great work of our county partners, provides a solid base for Oregon's property tax system.

KAREN'S KORNER see page 4

New ORMAP Coordinator

By CAROLYN SUNDERMAN, CARTOGRAPHY

Property Tax Division welcomed its new ORMAP coordinator in March when Phil McClellan came on board. As ORMAP coordinator, Phil helps each county get their maps to ORMAP Goal 4 standards.

As the ORMAP coordinator, Phil will review ORMAP grants to make sure they match each county's business plan. Initial grants for the fall 2005 funding cycle are due to him by August 4, 2005. He will reviews each project plan to see if it can be completed in one year. He will suggest changes if he thinks the project is too aggressive or not aggressive enough.

Phil is also working on the new ORMAP licensing agreement, which will allow ORMAP to post various components of the assessors' offices information on the ORMAP Web site, www.ORMAP.org.

One of Phil's goals is to work on developing partnerships with government agencies and private companies that are interested in acquiring the same information.

"I'd like to stress more training," he said, referring to the startup costs. He thinks the initial costs scare many people. He said ORMAP can help with that.

Phil also wants to work with each of Oregon's 36 counties, helping each to see how ORMAP benefits their counties and the state as a whole.

"It's definitely an exciting challenge."

Phil brings a lot of experience to this position. He graduated from Oregon State University in 1995 with a bachelor's of science in geography. During his senior year, GIS (Geographic Information System) was just getting

started. After graduation, he worked nine years for Titan Systems in Portland. Titan Systems contracts with other companies, and Phil worked on several projects during his years there. He worked on a contract for United States Geological Survey converting 7.5-minute quadrangle maps. This was part of a project to work with the National Hydro Data Set

to create a map linking the GIS spatial data to an Oracle database with different types of data (stream names, flow direction, quad names, and state name, for example) from different sources. GIS users refer to this as a "smart map." Phil also worked for the Washington State Department of Natural Resources and the U.S. Department of Defense, through Boeing Autometric.

Phil tries to keep up-to-date with new GIS software. He has worked with Arc View, Arc Info, Arc GIS, LT4X, Delta 3-D digital modeling software, and ERDAS image software.

He is currently reviewing ORMAP contracts, checking extended timelines and unfinished projects. He is enthusiastic about his new position. He looks forward to working with all of the counties and their regional coordinators.

You can reach Phil at Philip.L.McClellan@state.or.us or at 503-945-8493.



Phil McClellan

KAREN'S KORNER continued from page 3

team. ATS provides more training to board members and clerks associated with each county's Board of Property Tax Appeals (BoPTA). The section also conducts supervisory hearings, is involved in administrative rulemaking (remember 2xx-3xx?), and provides in-depth analysis on virtually all legislation that affects the property tax system.

The CDOT (Cadastral, Deferral, ORMAP, and Timber) Section has been very productive, too. ORMAP is working with a number of organizations to attain control points for the counties for their tax lot mapping needs. Goal 4 standards have been developed and agreed to with the ORMAP tech group

and are being implemented by the counties and the state. We have a new ORMAP coordinator, Phil McClellan, who is working with the counties to review Goal 4 map consistency, develop data-sharing agreements, and develop and implement administrative rules.

The Timber Deferral unit has implemented the Small Tract Forestland program and is working on legislation to simplify and clarify the process. The Building Codes Division is working to improve the mobile home registration process in the Deferral area. Cadastral has been rewriting contracts and developing new hourly rates that better reflect the true costs of their mapping

work. The staff is working with Lane County to help reduce some mapping backlog.

As you can see, there is substantive work going on in each unit. I have certainly not captured all of our important activities but have provided some of the high points. DOR Property Tax staff and managers are exceptional. The work we perform, along with the great work of our county partners, provides a solid base for Oregon's property tax system. We are proud of the work we all do together and strive to build on this good work to ensure the system's future.

Recently Adopted Rules

Twice each year, the Department of Revenue considers additions and changes to administrative rules that guide property tax assessment and collection programs. Among several rules adopted June 30, two stand out for their far-reaching consequences.

OAR 150-308.215(1)-(A), commonly called the Property Classification Rule, was amended to clarify how the valuation theory of “highest and best use” should be applied when classifying property for taxation. Property will now be classified based on the highest and best use of the entire property, not on the use of the land as thought vacant.

In addition, the amendments provide examples of property-use types to help appraisers and assessors distinguish commercial properties from industrial properties. These amendments will provide a consistent classification system across the state especially for commercial and industrial properties.

This change will also promote uniformity in assessments for the same property-use types when compared among counties. Once fully implemented, the counties will use the same property types to compute the annual changed property ratios (CPRs) for commercial and industrial properties. For example, a warehouse in one county will be classified and assessed as the same type and use of property in adjacent counties.

These alterations to the property classification rule may change how some commercial and industrial properties are classed in some counties. The rule requires each county to prepare a plan to comply with its provisions. The plan must be included in the 2006-07 sales ratio study as part of the county’s annual appraisal plan. The rule allows counties to complete the change over the next five years.

OAR 150-308.146, a new rule, explains that changing the classification of a property to better reflect the highest and best use of that property is not an exception under the law that would allow recalculation of the maximum assessed value (MAV).



Jim King assumed responsibility for the rule changes related to property classification because of its impact on the changed property ratio (CPR) on commercial and industrial property.

For more information on the rule and the changes involved, contact Jim King or Rick Schack in the Department’s Salem office. These rules will be discussed at the November 30 Commercial Tech Group meeting.

The Timber Tax Program also has some new rules. The 2003 Legislature repealed the Western and Eastern Oregon Privilege tax programs and established the Small Tract Forestland (STF) Option tax program and a corresponding STF Severance Tax for small forestland owners. New administrative rules establishing guidelines for measuring logs including definitions of chip logs and small saw logs were adopted June 30. See **OAR 150-321.005(12); 150-321.700(13), 150-321.609(1)-(A)**.

Rules were also amended to clarify:

- penalties assessed on some actions of centrally assessed taxpayers,
- age requirements of individual and joint applicants to the Senior Citizen’s Property Tax Deferral program, and
- BoPTA’s lack of jurisdiction for appeals of centrally assessed property values.

The new rules are available on the State Archives Web site, arcweb.sos.state.or.us/banners/rules.htm.

Bruce Tindall—“New Adventures”



After 18 years, Bruce Tindall has resigned from the Oregon Department of Revenue. Bruce is probably best remembered as the department’s Measure 50 “exception value” expert.

“The many friendships both in Revenue and in the counties have been very special and I will treasure them always. On top of that, the many challenging projects that came along were icing on the cake. Thanks for all the many wonderful years and memories,” were Bruce’s parting words in an email Subject: New Adventures.

Bruce is still in the property tax world, however, working as the chief appraiser for Yamhill County Assessor David Lawson. “That opportunity was just too good to pass up, so I will still have the pleasure to keep in contact, just in a different capacity,” Bruce wrote.

Field in the Field: Ratio Week—A Photo Montage

“Ratio Week,” April 11–15, 2005. A marathon event accomplished through teamwork and dedication to peer training. Al Gaines, DOR’s ratio tech liaison, coordinated with more than a dozen people experienced with the ratio process and its computer applications.

“Ratio Analysis I,” a class designed at the request of experienced analysts as successor training, began the week. “Ratio Analy-

sis II” showed experienced analysts how their peers use computers to accomplish sales analysis and ratio study procedures. The ratio tech meeting between the two analysis meetings also focused on computer applications.

In all, 104 individuals representing 17 counties, and DOR participated. A special “*thanks to all who participated*” photomontage of the week.



Carol Judd addresses the Ratio Analysis 1 class. This entry-level technical training class introduces participants to the preparation and evaluation of market data for sales and ratio analysis purposes.

Carol presented Oregon property tax valuation concepts. She conveyed the importance of real market value (RMV), what a ratio is, and the purpose of a ratio study.

Twenty-seven attendees from 14 counties participated.

Al Gaines spent the second day assisting attendees with MS Excel (spreadsheet analysis) training basic to sales and ratio analysis.

This training provided basic knowledge to and tools for assessment office staff members. It covers how the annual adjustment (trend or recalculation) is developed, applied to prior year RMV, and certified.



Joe Nelson, Washington County residential appraisal supervisor, demonstrates the MS Excel procedures. Thanks also to **Denise Terry**, Washington County’s data analyst, and **Fred Smith**, chief appraiser for their assistance organizing this effort.

Sandy DeAvilla, DOR field rep, and **Cindy Weddle**, Benton County’s analyst, used a spreadsheet to show Measure 5’s tax calculation process. They demonstrated how inaccurate RMVs affect “compression.”





Don Cossitt, Wheeler County assessor, demonstrates pivot tables at the ratio tech meeting. He and **Ross Turney**, DOR field rep, (seated at Don’s right) planned this “show and tell” for the Ratio Analysis II class.

Gary Cook, DOR field rep, demonstrated how to find, copy, and insert ORMAP images into a report. **Al Gaines** showed the group how to “hyperlink” a photograph into a report.

The group heard reports that sales in all counties are “brisk!” and values are increasing.

The Ratio Analysis II class, dubbed “Data Roundup” began April 14 in Chemeketa’s PC lab. This technical training used PC applications designed for analysts familiar with the preparation and evaluation of market data for sales and ratio analysis purposes. **Don Cossitt** and **Ross Turney** demonstrated how to develop MS Excel pivot tables.



Dave Messenger (L), Gilliam County chief appraiser, and **Don Kirby**, DOR field rep, show how they use an MS Excel workbook as a benchmark database.

Class attendees received all of the applications presented in the classes on a CD. They used them in class and were allowed to keep them. The CD also had workbooks that **Al Gaines** used to review several ratio study.

The “II” class addressed subjects requested by the experienced data analyst. The class introduced attendees to the Access database program. To accomplish this, **Al Gaines** and **Mike Culbertson**, DOR data analyst and experienced Access user, collaborated on the agenda.

Here, Culbertson links MS Access and Excel data for analysis purposes. One attendee said the class offered, “Good intro to Access. Mostly simple enough for people who currently do not use Access.”



Participation is key to the success of this type of class. Here the class is really engaged! Special thanks to **Rene Grier**, Multnomah County analyst, and **Kim Gushulak**, Marion County analyst, for their help with MS Access tips and tricks.

Thanks to DOR “spotters” **Carma Myers**, **Gary Cook**, and **Sandy DeAvilla** who were at every class to assist attendees.

“Really enjoyed all presentations. I am excited to start using my new knowledge,” Said one attendee.

Craig and Carma leave State Service

With some sadness and much nostalgia, Craig Myers (17 years) and Carma Myers (20 years) have left state service.

Craig, most recently, served as an industrial property appraiser. Carma has been a familiar presence throughout Oregon, offering excellent continuing education to appraisers and assessors.

Craig and Carma are entering a new stage in their lives. They will be busy pursuing real estate development opportunities, traveling, and church ministries. They continue to make their home on their farm in Salem and would like to “practice hospitality” more than they have had time for in the past.

Although they described their careers with the department as interesting and challenging, it was the friendships they’ve enjoyed and the memories they’ve made with co-workers and county folks that really made their job worthwhile.



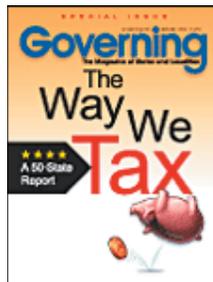
Craig and Carma Myers with Carma’s mother Lea Nelson.

“It has been a pleasure and honor to work with you these many years. There just are no harder working people of high integrity with a servant’s heart than you,” they said.

They hope that all their friends will stay in contact and give them an opportunity to practice hospitality as they move out of state service.

The Tax System

Governing Magazine (www.governing.com) profiled Oregon’s tax system in its feature on “Government Performance Project: The way we tax.” The report is an excellent description of how Oregon taxes its citizens and how the components of the tax system interact with each other. Although it was published in February 2003, the article is still a good and timely read. You’ll find the report at www.governing.com/gpp/2003/gp3or.htm.



Grapevine 

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Comings and Goings

By MARY KINTNER, ADMINISTRATION

New Employees

Alisha Macauley, office specialist
1, Valuation

Philip McClellan, ORMAP coordinator, program tech 2, CDOT

Resignations

Naomi Yother, appraiser analyst, Valuation

Tom Sullivan, cartography 2, CDOT

Monica Johnson, appraiser analyst, Valuation

Doug Holdt, ORMAP coordinator, program tech 2, CDOT

Promotions

Mike Allen, cartography 2, CDOT