

## UPCOMING EDUCATIONAL EVENTS

### USPAP Workshop (7 Hour Update)

February 10-11, 2015  
Pearl, MS  
Marriot

### Recertification 2015

April 7—Meridian  
April 9—Hattiesburg  
April 14—Batesville  
April 16—Verona  
April 21—Raymond  
April 23—via Interactive Video  
April 28—Bay St. Louis

### Certified Appraiser School

May 4-8, 2015 (Week 1)  
May 18-22, 2015 (Week 2)  
Starkville, MS

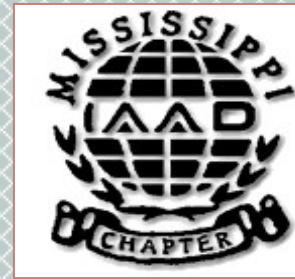
### IAAO Course 102

Income Approach to Value  
May 11-15, 2015  
Starkville, MS

### IAAO Course 400

Assessment Administration  
June 8-12 2015  
Starkville, MS

**For more information call Jason Camp at 662-325-3141**



MS CHAPTER OF  
INTERNATIONAL  
ASSOCIATION OF  
ASSESSING OFFICERS  
P.O. BOX 462  
GULFPORT, MS 39502

## 2014 MACA Fall Conference/IAAO Workshop



MS Chapter of International  
Association of  
Assessing Officers  
2013-2015 Officers

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Jimmie Ladner.....Vice President  
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Bruce Templeton.....Exec. Pos. 3  
Jason Camp.....Exec. Pos. 4

About Our Staff  
Editor:

Paula Ladner

Editorial Office:

Tal Flurry, Tax Assessor

Harrison County

P.O. Box 462

Gulfport, MS 39502

To submit an article contact us:

pladner@co.harrison.ms.us

228-865-4075

## Across County Lines

*December 2014*



*May the spirit of our Lord and Savior continue to be  
with you and yours now and throughout the New Year.  
Mississippi Chapter IAAO Officers*





MACA Pres. Charles Williams Presenting the CMS Plaque to Van McWhirter, Assessor/Collector Pontotoc County



MACA Pres. Charles Williams Presenting the CMS Plaque to DeWayne Raphael, Hancock Co.

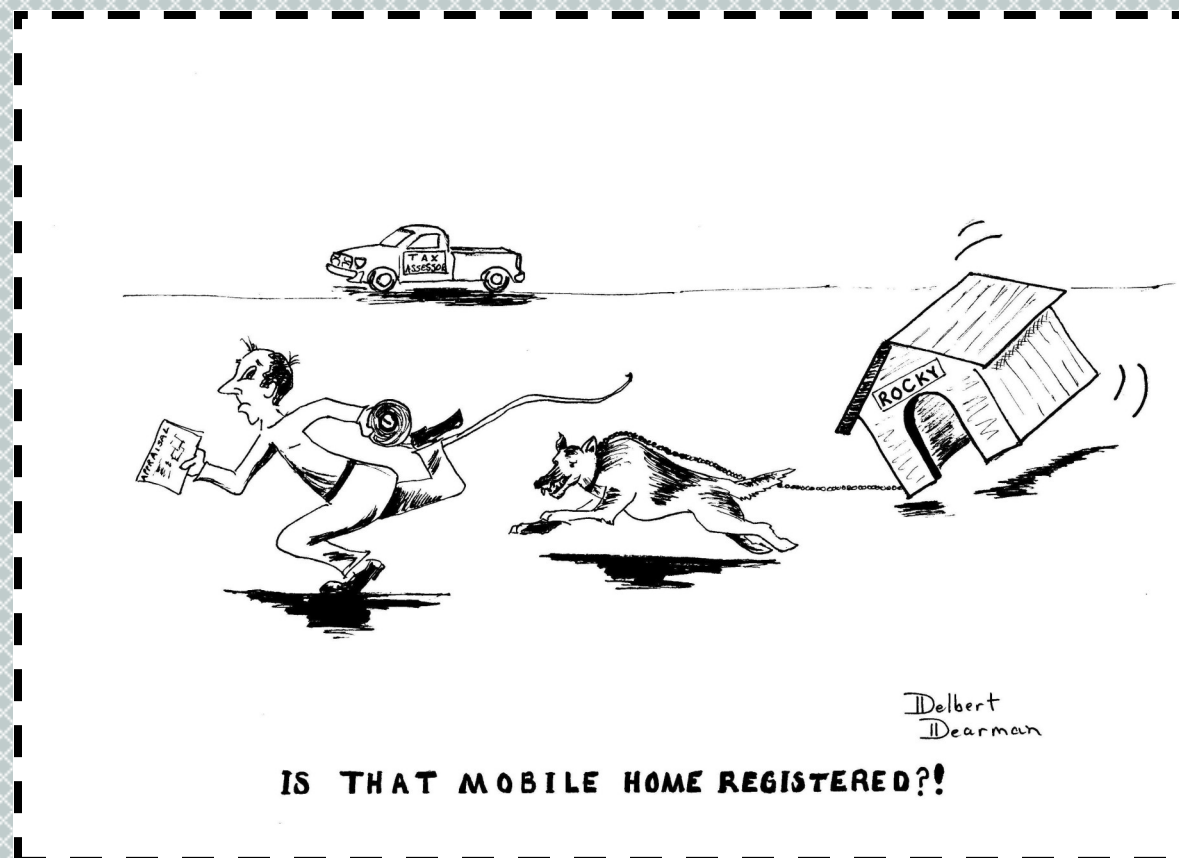
### Congratulations to our newest recipients of the MS Chapter IAAO CMS designation.

Those not pictured:

Paul McAdory, Lamar County  
Shirley Balog, Harrison County  
Kristy Bolin, Pontotoc County  
Kenya Lofton, Pike County

Laurie Allen, Pike County  
Billy Kellum, Rankin County  
Laurie Allen, Pike County  
Jeremy Sila, Pike County

Renada Taylor, Pike County



## A Note From the Department of Revenue

**COBOL:** What is it? Unfortunately, it is the programming language that is currently used by the Mississippi Department of Revenue (MDOR) for its Tag and Title Network that was implemented in 1980. The DOR is responsible for providing and administering this network used by the 82 county tax collectors, law enforcement and others. At one time, the network was “cutting-edge” technology; but now, it is an antiquated language known only by some of the most senior personnel who are either retiring or approaching retirement. In 2014, this system has reached its capacity and cannot be enhanced or modified; the system is in dire need of replacement and modernization.

MDOR is continuing its efforts to secure funding to replace this outdated, and crucial, network which maintains the registration information for 2.8 million vehicles in the State of Mississippi, titles issued for vehicles, and manufactured housing titles. The Tag and Title network is critical to the production and collection of revenues for the local counties, municipalities, and school districts, in addition to administering a significant revenue source for the state’s Department of Transportation. In the case of a total network failure, local government revenues could decrease between 20%-30%. The taxpayers of the State of Mississippi would be unable to renew their motor vehicle registrations (car tags). Various other organizations would lose their ability to receive funds raised by the purchase and renewal of the 260+ specialty plates.

While potential loss of revenue is the most critical issue if the State of Mississippi’s Tag and Title network crashes, there are several other major issues that could be addressed with a system replacement and modernization. Currently Mississippi is one of three states that have not implemented the National Motor Vehicle Titling Information System (NMVTIS) as required by the Federal Anti-Car Theft Act of 1992. (The other two states are currently implementing new systems; therefore, Mississippi will be the final state to come into compliance.) NMVTIS links all 50 states titling databases together in an effort to reduce car thefts, vehicle cloning, and title washing. A recent CARS.com article listed Mississippi as the leader in “title washing,” which is the removal of a “brand” such as “rebuilt” or “previous salvaged” from a title that is issued by another state.

Increasing customer satisfaction has been a priority for the MDOR in the past several years. A new Tag and Title system integrated with technology used by auto dealers, banking and financial institutions will considerably reduce the wait times when citizens are purchasing or renewing their tags in county offices.

Following passage of the Public Safety Verification and Education Act in 2012, the Mississippi Department of Public Safety, the Mississippi Department of Insurance, and MDOR are charged with the implementation of an event-based real-time electronic insurance verification system that is in compliance with the insurance industry (IICMVA) model and standards. After two years of meetings with all three agencies, Mississippi’s Institute for Technological Services, and various insurance industry representatives, the project team has identified several key issues with the implementation of the Act due to limitations of the current tag/title network.

The replacement of the current Tag and Title network maintained by the MDOR is a benefit to all citizens of the State of Mississippi, law enforcement, and the local governments of this state.





## A Great Place to get Educated

By Charles Williams, Jr.  
MAE, CMS

Whether you are a new employee of a county tax office, Department of Revenue or a seasoned assessor and/or collector with years of experience, the Mississippi Chapter of the International Association of Assessing Officers can assist you with your educational needs. The chapter works closely with the Center for Government and Community Development of the Mississippi State University Extension Service to coordinate educational opportunities for tax appraisal officials in our state.

IAAO courses are offered each year in Mississippi. Anyone can take the IAAO courses offered to increase their knowledge in the field of mass appraisal. These courses may be taken by State Certified Appraisers (track I) who are seeking a track II certification through the MECP program. The tract II certifications are Assessment Evaluator I (AEI), Assessment Evaluator II (AEII) and Mississippi Assessment Evaluator (MAE). Each certification provides an annual monetary incentive for county assessors and their deputies or assistants. Details of the tract II program can found in the Manual of the Mississippi Education and Certification Program aka "The Red Book". You may view the Red Book at [www.mstax.org](http://www.mstax.org).

IAAO designations can be obtained by completing the required curriculum for each designation. The requirements may be found at [www.iaao.org](http://www.iaao.org). The designations are Certified Assessment Evaluator (CAE), Cadastral Mapping Specialist (CMS), Personal Property Specialist (PPS), Residential Evaluation Specialist (RES) and Assessment Administration Specialist (AAS). All of these designations except the AAS provide for monetary incentives for the elected assessor in Mississippi. Twenty-four individuals in our state have received an IAAO designation.

Designation candidates are personally responsible for communicating with IAAO about their individual requirements in the designation program. However, the Mississippi Chapter has initiated a Candi-

dates Club to assist and encourage candidates as they work through the process. Mr. Gary Beech, MAE, CMS, of Pearl River County is the current candidate club chairman.

The chapter also offers two appraisal related workshops each year for continuing education credits. The workshops provide at least seven CEU credits. These CEU credits can be used for persons who hold a license issued by the MS Real Estate Appraiser Licensing and Certification Board as well as anyone who has obtained an IAAO designation. The Appraisal Qualifications Board of Mississippi requires twenty-eight (28) continuing education units every two years in order to maintain a Mississippi Appraisal License, while the IAAO requires seventy (70) hours of CEU's in a five year recertification cycle.

All of your educational needs can be met through the course and workshop offerings of the Mississippi Chapter of IAAO and the Center for Government and Community Development.



## IAAO Professional Designations

The objectives of IAAO's professional designation program are to raise the standards of the profession, to attain recognition of the assessment profession by government authorities and the public; and to gain for designated members recognition as qualified, objective, unbiased appraisers and administrators of systems for ad-valorem tax purposes.

Earning a professional designation is a rewarding experience. During the process, you will gain knowledge and experience that will be valuable to your career. IAAO designations signify exceptional competence. Earning a professional designation offers tangible and intangible benefits, which may include a salary increase or additional responsibilities. The benefits include increased confidence and credibility. Pride is perhaps the greatest benefit of all, in that you proved to yourself that you could set a goal and fulfill the requirements necessary for attaining it.



## Nick Elmore, MAE, RES, AAS

MS Chapter IAAO Representative - Jackson County  
228-769-2017  
Nick\_elmore@co.jackson.ms.us

assessment issues as they arise, recruit new members and assist the current members. I want to extend an invitation to all of you to feel free to contact me at any time with anything I may assist you with. That's my job!

Most of us recently attended the MACA Conference. If you missed it, you missed both an informative and a fun experience. I want to take this opportunity to thank Mitzi Presley, Charles Williams, Jason Camp and all of the other individuals that put so much effort into making these events happen. We presented several individuals with IAAO Designations at that meeting and I applaud each and every one of you for the effort you put forth in attaining that recognition. I encourage all of you to work toward one or more of the available designations. It is a valuable asset for any appraiser to have. If you have any questions on this please call or email me. I'd be happy to discuss with you any questions you may have. I would also like to thank those of you who participated in the class after the conference and for bearing with me as we poured through the material. It was my first experience with teaching and the hospitality I received was very much appreciated.

With that, keep in mind that educational opportunities are coming in the spring and summer. Assessment Administration (Course 400) and Income Approach (Course 102) will be offered, as well as the Recertification classes, and the Certified Appraiser's School. The dates will be published soon so keep an eye out and take the opportunity to further your education. Again, thank you for the opportunity to serve you and I wish everyone a very merry Christmas!

*Don't wait on the world to recognize your greatness. Live it and let the world catch up!*

## Ad Valorem Tax Shift In Mississippi

During my 28 years in office serving as Tax Assessor/Collector in Pike County, I noticed that there was a large shift in the tax base among the five classes of taxable property in Pike County. I always wondered if that shift was unique to Pike County or if it was happening statewide. As a project manager for the Stennis Institute of Government at MSU, I decided to see if in fact the shift was a statewide phenomenon.

In Mississippi, our constitution sets out five classes of taxable property for ad valorem taxes. Class I is single family, owner occupied, residential real estate. Class II is all other real estate that is not single family owner occupied residential. Class III is business personal property, including machinery, equipment, furniture, fixtures, and inventory used in businesses within our state. Class III also includes



## Joe B. Young, MAE, GRA

Project Manager  
Stennis Institute of Government

some mobile homes classified as personal property. These three classes of property are appraised by the county tax assessors with oversight from the Department of Revenue (DOR). There are many rules and regulations that the assessor must follow in appraising these three classes of property or face harsh penalties set out in state law.

Class IV is public utility property. Examples of public utility property are railroads, pipelines, telephone, and electric companies. This class is appraised by the Department of

Revenue.

Class V is motor vehicles. This includes cars, trucks, and trailers used on the highways of our state. This class of property is also appraised by the Department of Revenue and taxes are primarily collected by the county tax collector as part of the sale of license plates.

My hypothesis is that values on the first three classes of property are increasing at a much faster pace than the values of classes IV and V. If this holds true it will cause a shift in the tax burden within the five classes of property. To test my hypothesis, I went to the Department of Revenue's Annual Reports and gathered statewide values on each class of property. For my test years, I used the latest data for the 10-year period from 2002-2012. It is important to note that no adjustments were made for home-  
stead exemption in this analysis.



Following are the results of the study:

	FY 2002	FY 2012	% CHANGE BY CLASS
CLASS I (SINGLE FAMILY OWNER OCCUPIED RESIDENTIAL REAL PROPERTY)	\$ 4,458,485,595	\$ 6,715,758,768	51%
CLASS II (ALL REAL PROPERTY NOT CLASS I)	\$ 5,935,591,704	\$ 9,039,012,517	52%
CLASS III (BUSINESS PERSONAL PROPERTY INCLUDING MOBILE HOMES)	\$ 3,240,493,621	\$ 4,553,359,685	41%
CLASS IV (PUBLIC UTILITY PROPERTY)	\$ 2,251,948,931	\$ 2,599,658,308	15%
CLASS V (MOTOR VEHICLES)	\$ 3,445,006,895	\$ 3,281,762,384	-5%
TOTAL	\$ 19,331,526,746	\$ 26,189,551,662	35%

As you can easily see from the results of the study, my hypothesis holds true. Assessed values for Real property (Classes I and II) and Personal Property (Class III) are growing much faster than Public Utilities and Motor Vehicles. Therefore, tax bills for the first three classes of property are increasing at a faster pace than those of classes IV and V. We have experienced a tax shift within the five classes of property in Mississippi on a state wide basis. The obvious question is why?

The first thing that comes to mind in answering this question was previously mentioned in this writing. State law gives the Department of Revenue the authority to adopt rules to monitor the assessments made by the county assessor on the first three classes of property. These rules include comparing the assessors appraisals with actual sale prices of properties sold in arms length transactions. The appraisals made by the assessor must pass many statistical tests to determine if the assessor’s appraisal passes regulations set by the DOR. Also, state law requires that all appraisals made by the assessor on classes I, II, and III must be update at least every four years. There are currently no laws or regulations monitoring appraisals made by the DOR on classes IV and V.

Secondly, most counties have many employees to appraise classes I, II, and III and to complete annual tax rolls. Some counties sign very expensive contracts with private appraisal firms to complete this task. The remaining counties depend upon hiring and training professional staff to handle these duties in house. All counties are required by state law to have at least one certified appraiser for every 5000 homestead applications within the county. One certified appraiser would not be able to handle even the smallest county. In Pike County, which is an average size county in our state, we had to employ nine certified appraisers to conduct the duties necessary to produce appraisal rolls for classes I, II, and III annually. Unfortunately, the DOR has very limited resources to devote to appraising public utility property. It is my understanding that only two individuals make up the entire staff devoted to appraising all public utility property state wide.

I was very surprised to see that the total assessed value on motor vehicles had actually decreased by 5% during the 10 year study period. What could cause this? The answer is simply that the new value derived from new car sales is not offsetting the depreciation given to cars that are getting older. The reason for this is twofold. First, people are keeping their cars and trucks longer than ever before. An article released in August of 2013 in “IHS Automotive” produced a study done by R. L. Polk that proves this fact. In the study, R. L. Polk determined that in the year 2002, the average age of cars and light trucks in the United States was 9.6 years old. By the year 2012, the average age had increased to 11.2 years old.

Secondly, the depreciation table used by the DOR for valuing cars and trucks in Mississippi has not been modified to reflect the fact that the average age of cars is significantly higher now than before. I fail to recall any change in this depreciation table since first taking office in 1983. No one that I spoke with at the DOR knew how old the depreciation table was, or how long it had been used.

The current depreciation table is based on a 10-year life of cars and trucks. One of the biggest flaws in the current depreciation table is that all cars and trucks that are 10 years old or older in Mississippi are given a flat \$100 assessed value. Unlike depreciation tables produced by the DOR for Class III property, this value is not tied to the original value of the vehicle. Since state law uses a 30% assessment ratio on Class V property, this would imply that the true value of all vehicles that are 10 years old or older in Mississippi is \$300. That means that for ad val-

current depreciation table is that all cars and trucks that are 10 years old or older in Mississippi are given a flat \$100 assessed value. Unlike depreciation tables produced by the DOR for Class III property, this value is not tied to the original value of the vehicle. Since state law uses a 30% assessment ratio on Class V property, this would imply that the true value of all vehicles that are 10 years old or older in Mississippi is \$300. That means that for ad valorem tax purposes, a 10-year old Kia or Rolls Royce in our state is valued at \$300. A vast number of our cars and trucks in Mississippi are at least 10-years old. I offer these facts as information to answer the question why motor vehicle values are not keeping pace with the first 3 classes of property. I am in no way being critical of the DOR, as any change in the schedule without other changes in the ad valorem tax structure would result in an increase in tag prices.

I hope this information is valuable to you in your efforts in making ad valorem taxes in Mississippi fair and equitable. Where do we go from here? The leaders of the Mississippi Assessor/Collector’s Association, MAS, MML, and the Department of Revenue should work with the legislature to minimize shifts in the ad valorem tax burden and continue to pursue equity for all Mississippi tax payers. Perhaps comparative studies of how public utility and motor vehicle assessments are made in other states could offer assistance in solving this problem. If the Stennis Institute of Government can assist in studying this problem please call on us.

John C Stennis Institute of Government

382 Hardy Billups Road, Miss State, MS 39762



Certified Appraisers Challenge Exam

March 18, 2015

Do you need more help in your office? Have you checked out What Mississippi State University has?

At The Center for Government and Community Development at MSU is our center for education information and Certifications. There is a long list of Publications and Services offered at GCD and it continues to grow.

Under the Services Banner are Certification, Technical assistance as well as Youth Programs. Under the Publications Banner you can find many articles in an easy to download format on Government, Government Services and Recent Legislative Actions.

You will also find a current Calendar with scheduled Programs through Summer 2015. Some upcoming events are:

7-Hour Uniform Standards of Professional Appraisal Practice (“USPAP”) Update Course

February 10-11, 2015

Recertification for Assessors State Wide

Meridian April 7th 2015

Hattiesburg April 9th, 2015

Batesville April 14, 2015

Verona April 16, 2015

Raymond April 21, 2015

Interactive Video April 23, 2015

Bay St. Louis April 28, 2015

**Contact:**

**Jason Camp**

Extension Associate II

Center for Government & Community Development

Mississippi State University Extension Service

Box 9643

Mississippi State, MS 39759

Phone: 662-325-3141

Jason.camp@msstate.edu