STATE TAX DEPARTMENT

PROPERTY TAX DIVISION

TAX YEAR 2005

COUNTY MONITORING PLAN

WEST VIRGINIA DEPARTMENT OF TAX AND REVENUE

TAX YEAR 2005

COUNTY MONITORING PLAN

I.   **All assessors will be mailed a copy of the monitoring plan complete with all forms and the Monitoring Questionnaire (Exhibit 1) to be used by the Property Tax Division appraiser/monitor.**

II.   **The Property Tax Division of the Department of Tax and Revenue will evaluate all fifty-five counties between January 24, 2005 and July 1, 2005.**

III.   **The assessor will be notified either by phone or by mail approximately one week prior to the visit by the appraiser/monitor.**

IV.   **The monitor will discuss with the assessor the purpose of the visit, the monitoring process, and how the assessor feels he is proceeding in accordance with his plan.**

    A. Mapping and Drafting

        The Property Tax Division will monitor one-third of 55 counties each year on a three-year cycle beginning TY2005.

        1.   A review of the mapping and drafting products will be made to determine if they are in accordance with mapping and drafting procedures adopted by the Property Valuation Training and Procedures Commission (Mapping and Drafting Review Form, Exhibit 2). A minimum sample of six (6) parcels will be selected at random for the purpose of the review.

        2.   A randomly selected sample of six (6) split transfers, of the previous 12 months, will be reviewed to determine if they have been mapped. A randomly selected sample of six (6) splits transfers, of the previous 24 months) will be reviewed to determine if they have been neat drafted. The objective of this sampling is to determine the current status of map maintenance and neat drafting (Exhibit 2).

    B. Real Property

        1.   A ten (10) parcel minimum sample will be selected at random for each appraiser/data collector whose work has not been monitored previously or whose work was previously found to be unacceptable or at the discretion of the monitor. A Real Property Listing Quality Check Form

(Exhibit 3) will be completed for each appraiser monitored. Should the above not apply in the county, a minimum sample of ten (10) parcels will be reviewed. This sampling will be composed of residential, farm and commercial parcels. An error rate of 10% or less in the total appraised value is acceptable. An error rate of 10% or less on all parcels reviewed is acceptable.

2. A review will be made of completed commercial, residential and farm valuation land tables along with the support documents showing their development. Copies of the support documentation showing either the changes or the documentation indicating that the current land tables are market value will be included in final work papers.

3. A review will be made of the neighborhood forms/maps or listings created along with their support documentation. This review will help determine if the county can properly identify where their neighborhoods are located. If the county does not have maps or listings for their neighborhood, the monitor should request a neighborhood listing for the county.

4. A review will be made of the residential and commercial cost modifiers along with the support documentation showing their development. A copy of the support documentation will be included in final work papers.

5. A review will be made of randomly selected sales/transfers during the past 12 months for determination of proper entry (all sales of $100 or more) and correct validation on the CAMA system. The buyer, seller or agents will be contacted to assure the correct validation coding of the sale (Exhibit 4). Also a review will be made of the county's sales verification methodology. The number of sales sampled will be based on the county's parcel size. For counties less than 10,000 parcels a minimum of 10, for counties 10,000 to 30,000 a minimum of 30, for counties 30,000 to 50,000 a minimum of 40 and more than 50,000 a minimum of 50. The monitor must review the minimum required for the county. An error rate of 10% or less is acceptable.

6. A review will be made of valid sales from the most current sales ratio analysis. For tax year 2005, sales will be selected by the monitor from residential neighborhoods only. This review will be made by comparing the equalization of the sale parcel as it relates to prior years values/listings and comparable properties located in the same neighborhood. (Exhibit 5) A minimum of 3 comparable properties per sale will be reviewed. The monitor will make a determination of whether sales are being manipulated for the sales ratio analysis. An error rate of

10% or less is acceptable. A minimum of ten valid sales per county is to be reviewed.

C. Personal Property

1. If the county has chosen to physically appraise commercial personal property, an on-site review will be made of three (3) randomly selected commercial businesses, per appraiser. The Personal Property Listing Quality Check Form (Exhibit 5) will be completed for each appraiser. An error rate of 10% of the total appraised value is acceptable.

2. If the county has chosen to use the property return method for valuing personal property, a review will be completed of a randomly selected sample of five (5) individual returns and an on-site review of five (5) businesses to determine if the return valuation process is acceptable. This review will include at least two non-filers, to assure that the value estimates are producing adequate results. An error rate of 10% or less of the total appraised value is acceptable (Exhibit 6).

3. A review will be made to determine if the assessor is using the CAPPA system and the correct NAICS code, trend and depreciation schedules to uniformly value business personal property as required by West Virginia Code § 11-1C-7(a).

4. The review of the sample of five (5) individual returns will include a review of the valuation of vehicles to determine if they are valued based on the schedule of used vehicle values as compiled by the state tax commissioner.

5. A review will be made of at least one new vehicle dealer and one used vehicle dealer return to assure that the vehicle inventory form is being properly filed with the assessor as provided in West Virginia Code § 11-6C-1 et seq.

D. Natural Resource Property

1. A review will be made to determine if the county has linked all natural resource appraisals to the appropriate real or personal property account on the assessment or CAPPA system.

2. A review will be made to determine if the managed timberland is valued at the same value or lesser value than comparable woodland properties as required by Legislative Regulations Title 110, Series 1H, 2.2.

E. Data Entry - A general procedural review of the data entry will be made. An error rate of 10% or less is acceptable.

  1. Real Property - A review of five (5) randomly selected PF-12's will be compared to corresponding field source documents (Exhibit 6).

  2. Personal Property - A review of five (5) randomly selected returns will be compared to the corresponding CAPPA records (Exhibit 7).

F. Appraisal Status - A review will be made of the progress of the appraisal as compared to the timetable in the county valuation plan.

V.   Appraisal Evaluation - Ratio studies will be reviewed with the county to monitor their appraisal and assessment performance.

An appraisal/sales ratio study will be conducted to determine if the aggregate ratios or the medians, and the Coefficients of Dispersion (COD) about the median, for residential, commercial and industrial property meet the following standards.

TAX YEAR 2005 APPRAISAL STANDARDS

PROPERTY TYPE	AGG. RATIO OR MEDIAN	COD	MANN-WHITNEY ADVISORY ONLY	PRD ADVISORY ONLY
Residential Improved	$\pm$ 10%	< 15	-1.96 to 1.96	.98 to 1.03
Commercial All	$\pm$ 10%	< 20	-1.96 to 1.96	.98 to 1.03
All Property Less F & T	$\pm$ 10%	< 20	-1.96 to 1.96	.98 to 1.03

Aggregate Ratio or Median:

Appraisals and assessed values must be within $\pm$ 10% of 100% of market value for appraisals and 60% of market value for assessed values.

Coefficient of Dispersion about the Median (COD):

The COD should not be greater than 15 for residential improved property and should not be greater than 20 for all other property types.

Mann-Whitney Test Results: (Advisory Only)

The z-value must be between -1.96 and +1.96 for all property types. If the z-value is below -1.96, unsold property is appraised and assessed higher than sold property. If the z-value is greater than +1.96, sold property is appraised and assessed higher than unsold property.

Price Related Differential (PRD): (Advisory Only)

The PRD must be between .98 and 1.03. If the PRD is below .98, higher priced properties are overvalued compared to lower priced properties. If the PRD is above 1.03, lower priced properties are overvalued compared to higher priced properties.

VI. **Appraisal Progress Report - The Property Tax Division monitor will prepare a report based on the monitoring activities. A written narrative will accompany the working papers. It will summarize the salient points of the findings including the areas of discrepancies and their remedial courses and suggestions on solving the discrepancies.**

A. **The report will be reviewed with the county assessor by the area appraisal supervisor or the monitor. A copy of the written narrative will be given to the assessor.**

B. **The report will be reviewed by the State Tax Commissioner and the Director of the Property Tax Division.**

C. **The assessor will have the opportunity to file his/her report of explanation or rebuttal to the "PVTPC" and the State Tax Department if a disagreement exists.**

D. **The report will be submitted to the "PVTPC" and once approved, it will become public information.**

TAX YEAR 2005

COUNTY MONITORING REPORT

_____

_____   MONITOR   _____ DATE

A.   REAL PROPERTY MONITORING

   1.   DATA COLLECTION

        a.   Total number of Samples   _____
        b.   Total Passed   _____
        c.   Total Failed   _____
        d.   Error Rate   _____

   2.   LAND TABLES

   3.   NEIGHBORHOOD MAP

   4.   COST MODIFIERS

        a.   Residential Modifier

        b.   Commercial Modifier

   5.   SALES ENTRY/SALES VALIDITY

        a.   Total Number of Samples   _____
        b.   Total Passed   _____
        c.   Total Failed   _____
        d.   Error Rate   _____

SALES VALIDATION/ENTRY

PARCEL	SALE PRICE	I/V	DATE	SC	VC	PASS/FAIL - COMMENTS

6. <u>VALID SALES REVIEW</u>

   a. Total Number of Samples   _____
   b. Total Passed   _____
   c. Total Failed   _____
   d. Error Rate   _____

COMPARABLE PROPERTY REVIEW

SUBJECT	SALE PRICE	COMPARABLE	PASS/FAIL - COMMENTS

B. _____ County is on schedule according to their county valuation plan timetable with real estate.

Additional Comments:

SALES VALIDATION/ENTRY

PARCEL	SALE PRICE	I/V	DATE	SC	VC	PASS/FAIL - COMMENTS

COMPARABLE PROPERTY REVIEW

SUBJECT	SALE PRICE	COMPARABLE	PASS/FAIL - COMMENTS

Exhibit 1

MONITORING QUESTIONNAIRE - TAX YEAR 2005

			YES	NO	N/A	COMMENTS OR W/P REFERENCE
I.	MAPPING					
	A.	Has the county followed the mapping guidelines adopted by the "PVTPC?"	☐	☐	☐	
	B.	Is the map maintenance current?	☐	☐	☐	
II.	DRAFTING					
	A.	Has the county followed the drafting guidelines adopted by the "PVTPC?"	☐	☐	☐	
	B.	Is the drafting current?	☐	☐	☐	
III.	REAL ESTATE APPRAISALS					
	A.	Are the data collectors and or appraisers following the visitation guidelines as established by the "PVTPC?"	☐	☐	☐	
	B.	Is the quality of the data collection acceptable?	☐	☐	☐	
	C.	Are notices being left at owner occupied properties when no one is home?	☐	☐	☐	
	D.	Have the individuals received the proper training in data collection procedures?				
		1. Residential	☐	☐	☐	
		2. Commercial	☐	☐	☐	
	E.	Has the county performed an in-house quality check of their data collector/appraisers?	☐	☐	☐	
	F.	Are production logs kept for data collectors and appraisers?	☐	☐	☐	

Exhibit 1

		YES	NO	N/A	COMMENTS OR W/P REFERENCE
G.	Has a current county cost modifier and neighborhood modifier been developed for:				
	1. Residential	☐	☐	☐	
	2. Commercial	☐	☐	☐	
H.	Have the land tables been completed along with support documentation?				
	1. Residential	☐	☐	☐	
	2. Farm	☐	☐	☐	
	3. Commercial	☐	☐	☐	
I.	Does county have current neighborhood maps or listings?				
	1. Residential	☐	☐	☐	
	2. Commercial	☐	☐	☐	
J.	Has the assessor correctly coded sales upon the CAMA system?	☐	☐	☐	
	1. Has the assessor entered all sales in excess of $100 or more?	☐	☐	☐	
	2. Has the assessor applied the proper validation codes on all sales entered on the CAMA system?	☐	☐	☐	
K.	To achieve market value has the Assessor adjusted:				
	1. All parcels	☐	☐	☐	
	2. Sale parcels only	☐	☐	☐	

Exhibit 1

		YES	NO	N/A	COMMENTS OR W/P REFERENCE
IV.	**APPRAISAL STATUS**				
	A. Is the appraisal on schedule according to the timetable as outlined in the county valuation plan?				
	1. Real Property	☐	☐	☐	
	2. Personal Property	☐	☐	☐	
	B. If the county is behind schedule, have they formulated an alternate plan by which the appraisal may be completed on schedule?	☐	☐	☐	
V.	**APPRAISAL AND ASSESSMENT INFORMATION**				
	A. As reflected by the Property Tax Division's Appraised/Sales Ratio Study, is the median or aggregate ratio between 90% and 110%?				
	1. Residential	☐	☐	☐	
	2. Commercial	☐	☐	☐	
	3. Industrial	☐	☐	☐	
	B. As reflected by the Property Tax Division's Appraised/Sales Ratio Study, is the "COD" less than 15% for:				
	1. Residential improved properties	☐	☐	☐	
	Less than 20 for:				
	1. Residential vacant	☐	☐	☐	
	2. Commercial	☐	☐	☐	
	3. Industrial	☐	☐	☐	

Exhibit 1

			YES	NO	N/A	COMMENTS OR W/P REFERENCE
	C.	Is the overall appraised to Sales Ratio Report evaluation acceptable?	☐	☐	☐	
VI.		**GENERAL**				
	A.	Have all assessor's personnel hired with monies from the valuation fund been approved by the "PVTPC" prior to hiring?	☐	☐	☐	
	B.	Have all personnel in the assessor's office whose responsibility is to place values on property successfully completed the Basic Training Course?	☐	☐	☐	
	C.	How many personnel does the assessor have on his/her staff (both temporary and permanent) whose primary responsibility is:	<u>Full</u>	<u>Part</u>	<u>Temp</u>	
		1. Real Estate				
		2. Personal Property				
		3. Other				
		4. Total	0	0	0	

EXHIBIT 2

TAX MAPPING/DRAFTING QUALITY INSPECTION

_____ COUNTY

_____   _____

DATE OF INSPECTION   NAME AND TITLE OF INSPECTOR

PERSON/FIRM PERFORMING TAX MAPPING

PERSON/FIRM PERFORMING DRAFTING

1. Date to which work maps are current: _____

2. Date to which master maps are current: _____

3. Is there a complete set of work copies? ☐ YES   ☐ NO

4. Does the work on the maps generally follow the uniform state wide mapping

   procedures? ☐ YES   ☐ NO

5. Does the drafting on the master maps conform to the existing maps and statewide

   drafting procedures? ☐ YES   ☐ NO

6. Has the person or firm's employees who are performing the tax mapping/drafting

   received adequate training? ☐ YES   ☐ NO

DATA COLLECTOR/APPRAISER | FIELD MONITOR

COUNTY | DATE OF QUALITY CHECK

OWNER CONTACTED BY FIELD MONITOR | REINSPECT AND REMEASURE

NO. 1

MAP | PARCEL I.D. | OWNERS NAME

PROPERTY ADDRESS: | CITY | STATE | ZIP CODE

EVALUATION	YES	NO	OWNERS COMMENTS:
Properly Identify Himself	☐	☐	
Occupant Understood	☐	☐	
Courteous, Considerate	☐	☐	
Business Approach	☐	☐	
Inspection Thorough	☐	☐	SPECIFIC NOTES:
All Data Requested (I.e. rents, sales, tax class, etc.)	☐	☐	
Measurements Accurate	☐	☐	
Property Data Accurate	☐	☐	
Grade: 0 - 100%			

NO. 2

MAP | PARCEL I.D. | OWNERS NAME

PROPERTY ADDRESS: | CITY | STATE | ZIP CODE

EVALUATION	YES	NO	OWNERS COMMENTS:
Properly Identify Himself	☐	☐	
Occupant Understood	☐	☐	
Courteous, Considerate	☐	☐	
Business Approach	☐	☐	
Inspection Thorough	☐	☐	SPECIFIC NOTES:
All Data Requested (I.e. rents, sales, tax class, etc.)	☐	☐	
Measurements Accurate	☐	☐	
Property Data Accurate	☐	☐	
Grade: 0 - 100%			

NO. 3

MAP | PARCEL I.D. | OWNERS NAME

PROPERTY ADDRESS: | CITY | STATE | ZIP CODE

EVALUATION	YES	NO	OWNERS COMMENTS:
Properly Identify Himself	☐	☐	
Occupant Understood	☐	☐	
Courteous, Considerate	☐	☐	
Business Approach	☐	☐	
Inspection Thorough	☐	☐	SPECIFIC NOTES:
All Data Requested (I.e. rents, sales, tax class, etc.)	☐	☐	
Measurements Accurate	☐	☐	
Property Data Accurate	☐	☐	
Grade: 0 - 100%			

Exhibit 4

SALES ENTRY AND VALIDITY REVIEW

_____   _____   _____
County   Monitor/Appraiser   Date

Sale: District _____   Map _____   Parcel (s) _____

Current Validity Code _____   Sale Price _____

Has the sale (s) been keyed to CAMA?   ☐ YES   ☐ NO

    If no, why was the sale not keyed?   _____

    Contact: _____

    A.   If yes, is the validation code correct?   ☐ YES   ☐ NO

    B.   If no, what is the proper validation code and why?

        _____

        _____

SALES ENTRY AND VALIDITY REVIEW

_____   _____   _____
County   Monitor/Appraiser   Date

Sale: District _____   Map _____   Parcel (s) _____

Current Validity Code _____   Sale Price _____

Has the sale (s) been keyed to CAMA?   ☐ YES   ☐ NO

    If no, why was the sale not keyed?   _____

    Contact: _____

    A.   If yes, is the validation code correct?   ☐ YES   ☐ NO

    B.   If no, what is the proper validation code and why?

        _____

        _____

SALES ENTRY AND VALIDITY REVIEW

_____   _____   _____
County   Monitor/Appraiser   Date

Sale: District _____   Map _____   Parcel (s) _____

Current Validity Code _____   Sale Price _____

Has the sale (s) been keyed to CAMA?   ☐ YES   ☐ NO

    If no, why was the sale not keyed?   _____

    Contact: _____

    A.   If yes, is the validation code correct?   ☐ YES   ☐ NO

    B.   If no, what is the proper validation code and why?

        _____

        _____

EXHIBIT 5

VALID SALE REVIEW

SUBJECT PROPERTY VALUATION

Parcel #: _____
Sale Price: _____
Sale Date: _____

Current CAMA Value: _____   Change:

Grade ☐
CDU ☐
Remodeling ☐
Other ☐ _____
No Change ☐

Prior CAMA value: _____   Reason for change: _____

Overrides: Land Rate ☐   Gross Value Bldg. ☐
                    Land Influence ☐   Cost & Design ☐
                    Gross Value Land ☐   Other ☐ _____

Comments/Errors: _____

EQUALIZATION

Appraiser will inspect three parcels within same neighborhood for comparability.

	MARKET VALUE	CAMA APPRAISAL
Parcel 1 _____	☐ Similar to subject ☐ Somewhat greater than subject ☐ Somewhat less than subject	☐ Similar to subject ☐ Somewhat greater than subject ☐ Somewhat less than subject

Comments/Errors: _____

	MARKET VALUE	CAMA APPRAISAL
Parcel 1 _____	☐ Similar to subject ☐ Somewhat greater than subject ☐ Somewhat less than subject	☐ Similar to subject ☐ Somewhat greater than subject ☐ Somewhat less than subject

Comments/Errors: _____

	MARKET VALUE	CAMA APPRAISAL
Parcel 1 _____	☐ Similar to subject ☐ Somewhat greater than subject ☐ Somewhat less than subject	☐ Similar to subject ☐ Somewhat greater than subject ☐ Somewhat less than subject

Comments/Errors: _____

Review results indicate county is: ☐ Achieving market value
                                       ☐ Moving toward market value
                                       ☐ Moving away from market

Comments: _____

EXHIBIT 6

PART II.   PROPERTY RETURNS

1. ACCOUNT # _____   ☐ GOOD (NO ERRORS)   ☐ ACCEPTABLE   ☐ NOT ACCEPTABLE
    OWNERS NAME _____

    SPECIFIC COMMENTS: _____
    _____
    _____

2. ACCOUNT # _____   ☐ GOOD (NO ERRORS)   ☐ ACCEPTABLE   ☐ NOT ACCEPTABLE
    OWNERS NAME _____

    SPECIFIC COMMENTS: _____
    _____
    _____

3. ACCOUNT # _____   ☐ GOOD (NO ERRORS)   ☐ ACCEPTABLE   ☐ NOT ACCEPTABLE
    OWNERS NAME _____

    SPECIFIC COMMENTS: _____
    _____
    _____

4. ACCOUNT # _____   ☐ GOOD (NO ERRORS)   ☐ ACCEPTABLE   ☐ NOT ACCEPTABLE
    OWNERS NAME _____

    SPECIFIC COMMENTS: _____
    _____
    _____

5. ACCOUNT # _____   ☐ GOOD (NO ERRORS)   ☐ ACCEPTABLE   ☐ NOT ACCEPTABLE
    OWNERS NAME _____

    SPECIFIC COMMENTS: _____
    _____
    _____

6. ACCOUNT # _____   ☐ GOOD (NO ERRORS)   ☐ ACCEPTABLE   ☐ NOT ACCEPTABLE
    OWNERS NAME _____

    SPECIFIC COMMENTS: _____
    _____
    _____

7. ACCOUNT # _____   ☐ GOOD (NO ERRORS)   ☐ ACCEPTABLE   ☐ NOT ACCEPTABLE
    OWNERS NAME _____

    SPECIFIC COMMENTS: _____
    _____
    _____

Exhibit 7

DATA ENTRY QUALITY CHECK

_____   _____
            COUNTY   APPRAISER/MONITOR

PART I. REAL ESTATE

1.   PARCEL NO. _____   GOOD ☐ ACCEPTABLE ☐ NOT ACCEPTABLE
      COMMENTS: _____
      _____
      _____

2.   PARCEL NO. _____ ☐ GOOD ☐ ACCEPTABLE ☐ NOT ACCEPTABLE
      COMMENTS: _____
      _____
      _____

3.   PARCEL NO. _____ ☐ GOOD ☐ ACCEPTABLE ☐ NOT ACCEPTABLE
      COMMENTS: _____
      _____
      _____

4.   PARCEL NO. _____ ☐ GOOD ☐ ACCEPTABLE ☐ NOT ACCEPTABLE
      COMMENTS: _____
      _____
      _____

5.   PARCEL NO. _____ ☐ GOOD ☐ ACCEPTABLE ☐ NOT ACCEPTABLE
      COMMENTS: _____
      _____
      _____

6.   PARCEL NO. _____ ☐ GOOD ☐ ACCEPTABLE ☐ NOT ACCEPTABLE
      COMMENTS: _____
      _____
      _____

Exit Conference

_____
(Date)

_____
(County)

Monitoring Summary

	Satisfactory (√)	Unsatisfactory (√)
Mapping	_____	_____
Drafting	_____	_____
Real Estate		
Quality	_____	_____
Procedures	_____	_____
Sales	_____	_____
Appraisal Uniformity	_____	_____
On-Schedule	_____	_____
Appraisal Evaluation	_____	_____

Comments: _____

_____

_____

_____

_____   _____
Assessor's Signature   **Monitor's Signature**