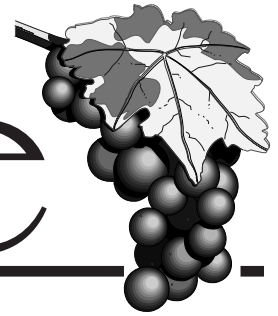


Grapevine



Winter 2005
Volume 10, Issue 1

Feature Focus—Gregg Thummel

By SHANNE JOHNSON, APPRAISER ANALYST

For this issue of *Grapevine*, Gregg Thummel topped our long list of Feature Focus choices. This was not due to length of time on the job (he's only been in his current position since May 2004). Gregg was chosen because his position is in direct contact with the Property Tax Division and the counties.

Gregg started at the Oregon Department of Revenue in January 1997. He began on the Utility Team appraising small electric utilities and a natural gas distributor. He moved on to water transportation companies, pipelines, private railcars, and eventually to telecommunications companies. Gregg had the daunting task of appraising some of the biggest players in the telecommunications game.

After several attempts, Gregg joined the Corporation Section as a corporate auditor. There, he helped launch a new program named Nexus which, according to Gregg, has nothing to do with hair-care products. The Nexus Unit does filing enforcement on corporations, which is a bit more complicated for corporations headquartered outside Oregon. The Nexus Unit determines if corporations headquartered outside Oregon are doing enough business in Oregon to be taxed in Oregon. In other words, in order to impose our corporation excise tax, the corporations must be located in Oregon or have independent representatives doing business in Oregon.



Gregg Thummel

After two years in the Corporation Section, Gregg returned to the Property Tax division as the conference officer in the Assessment & Taxation Standards (ATS) section. This position focuses on hearing petitions that allow the department to exercise its supervisory authority and correct an assessment or tax roll. Gregg also makes recommendations to assessors regarding late applications for exemptions (such as the veteran's exemption) where the applicants have a hardship situation.

Gregg began building a knowledge base before starting at Revenue. He came from the Washington State Department of Revenue where he was an auditor. Based in Seattle, he conducted business and occupation tax audits, as well as sales and use tax audits. Gregg says that he learned a lot about interacting with taxpayers in that job.

After four years in Seattle, Gregg's first son was born. He and his wife did not want to raise a family in the big city and she wanted to be a full-time at-home mom. They also

wanted a support network of family and friends to help her in this new role. That network was located in a small community outside Salem. It turned out to be an ideal match because Gregg soon learned of an opening in the Valuation Section in PTD.

At Revenue, Gregg's experience in taxes, laws, and valuations continued to grow, but it wasn't easy. He took many classes and received a lot of on-the-job training. After starting on the Utility Team, Gregg attended the Western States Association of Tax Assessors (WSATA) school for centrally assessed property in Logan, Utah one week each year for three years. There also was training associated with the regular WSATA convention each year. In addition, the on-the-job training was intense. This was his first introduction into property tax, and Measure 47 had just passed. A few months after he began, Measure 50 passed, replacing Measure 47. In the upheaval, Gregg learned a lot about how a property tax system is supposed to work and how hard it would be to make it work under these measures.

FOCUS see page 7

Look for the Curry County Courthouse in this issue.

Field in the Field: Legal Procedures—A Successful ‘Joint’ Effort

By AL GAINES, APPRAISER ANALYST

Jim King, commercial tech facilitator: “I think we need to discuss legal procedures.”

Al Gaines, as a training specialist for the department: “Okay, let’s do a workshop.”

Rick Schack, Salem field unit manager: “Sounds good. Go for it.”

Doug Adair and Joseph Laronge, assistant attorneys general: “Count us in. How can we help?”

Steve Gerlt, Douglas County commercial appraiser: “I’ve got lots of good examples for discussion.”

Dave Arrasmith, Jackson County commercial appraiser: “Hey, we’ve drafted reporting phraseology that might help other counties.”

John Solhiem, Clatsop County commercial appraiser: “I’ve been successful assuring that basic burden of proof requirements are met.”

Fred Smith and Steve Harris, Washington County: “Agreement to facts, we want to help explain why that is important.”

Linda Thomas, Umatilla County commercial appraiser: “Yes, we’ve had to deal with property tax expense issues and would be glad to open that subject for a group discussion.”

Ron Northcraft, Douglas County assessor and commercial tech liaison: “Plans look good. I like the state-wide county involvement.”

On July 27, 2004, 65 people from 22 counties, all five property tax division offices statewide, and the Attorney General’s office met in Salem to present, discuss, and learn the effect of legal procedures on the commercial appraisal process for property taxation purposes. The morning session was presented in the traditional “classroom-and-lecture” format, while the afternoon session was setup and conducted as a “roundtable workshop.”

Adair, Laronge, and King facilitated the morning discussion with the assistant attorneys general condensing their vast array of information into a three-page outline presented concisely within the less-than-three-hour time frame allowed. Some of that advice: “Be a problem solver.” “Read...very carefully.” “Be flexible and open minded.” “Keep your promises and firmly insist that others keep theirs.”

The afternoon workshop proposed to address 10 discussion topics. Eight of those topics were thoroughly worked through before time ran out. The roundtable

FIELD see page 5



Doug Adair (standing) and Joseph Laronge conduct the morning session of the “Legal Procedures” workshop.



Jim King (standing) “works the room” in the “Legal Procedures” workshop’s afternoon “roundtable.”



Fred Smith (c) flanked by Steve Harris and John Solheim (l & r) presents his “Legal Procedures” topic.



Dave Arrasmith (2nd right) presents one of his two legal procedure topics. Steve Gerlt (3 to Dave’s right) contemplates the situation.



Neil Hundtoft (standing) wants the group to understand his discussion topic. Rick Schack and Frank Lassen, DOR Pendleton, (l&r of Neil) try.



Linda Thomas (2nd right) relaxes after the discussion of her legal procedure topic was completed. Steve Baker is seated to Linda’s left.

Karen's Korner

By KAREN GREGORY, PROPERTY TAX DIVISION ADMINISTRATOR



The Property Tax Division Season Unfolds

I have been with the department in the Property Tax Division for just under a year, and as this season unfolds, I have much for which to be thankful. I am truly blessed. Revenue staff is professional, responsible, and fun to work with, as well as caring. They truly want the best outcome for all parties whenever there is any type of dispute, be it internal or external.

The Valuation staff works with tight timelines and consistently delivers excellent finished products to the counties on time each year. These folks have given me a wonderful education on which I hope to continue to build in the coming year. Some staff even allowed me to accompany them on site visits, which I also hope to continue... I hear they want to get me to a meat processing plant, but we'll see about that.

The volume and quality of work that the Valuation section completes continuously amazes me. The section also deals with some high-profile issues and works through them with confidence and style. The staff always looks for the best solution that can be supported by data, which is exactly what their calling requires.

The Assessment and Taxation Standards (ATS) section houses our property tax and county budget experts and problem solvers. There is no question too complicated for these knowledgeable people! The folks in the field are willing and able to work with assessors on any issue. The entire group has worked along side a county assessor's staff in examining the county's A&T functions so that the information will be available to the county commissioners in time for their 2005 budget process. The many manuals that ATS produces, the CAFFA grant process, our dynamite education classes, BoPTA oversight, program support, and the general expertise of all the staff make this section the "go to" group for almost any county or general government issue. They never say "no" and always amaze me with their deep base of knowledge. They are tops!

The Cadastral, ORMAP, Deferral, and Timber section (CDOT) is overflowing with the best technical help available in these fields.

The timber group is completing the small tract forestland changes from the last legislative session. This has been a big project that is scheduled for completion in December. We are on track thanks to this unit's dedication and hard work.

The Cadastral Information Systems unit formerly known as Cartography has undergone substantial change this year; they have a new manager and even changed their name. The unit has started a training program for county cadastral cartographers. They are the experts in statewide tax lot mapping and are committed to getting the job done in an excellent manner.

Deferral continues to see that taxpayers who need to use a senior or disabled deferral program are well served. They go the extra mile to provide excellent customer service.

ORMAP has been on a fast pace this year working with the counties to meet Goal 4 of the ORMAP project. Goal 4 completes edge mapping and brings all counties together to create a complete tax lot map for the entire state. This is an important feature of the statewide GIS vision because it provides the foundation, or first layer, for so many of the other statewide GIS applications. We are on schedule to meet this goal because of the hard work, knowledge, and commitment of the employees involved.

The folks in Administration are dynamite! My life is so much more organized and under control due to the great work of the staff in this unit. This group assists the entire division to help everything run smoothly. A key member of this group recently conducted a major legislatively mandated funding study with the help of division staff, county assessors, and many dedicated lobbyists. The study measured constituent participation and analyzed surveys. The findings are compiled in an excellent report. A giant thank you to the entire team.

Last but certainly not least, the county assessors and all of their great staff deserve a huge thanks. I have met each of you where you work and you have provided me with food for thought and projects on which to work. You have also been very kind in sharing your experiences and time with me so that I could better understand the challenges and issues that affect the entire system. In the coming years, we will have many more meetings. In the meantime, I thank each of you for your generous sharing and caring!

I wish you all a beautiful, safe, and joy-filled holiday season, and thank you from the bottom of my heart for being you!

Susan Says

By SUSAN BROWNING, DEPUTY DIRECTOR, OREGON DEPARTMENT OF REVENUE



Goals for the Year Ahead

When I was asked to share a little about myself through *Grapevine*, I leaped at the chance! I'm looking forward to getting to know you better and learn more about the world of Property Tax in my role as deputy director. I became deputy director in July 2004, following in the shoes of Jim Manary and before that, Jim Brown, both property tax pros. My background has been in the "other world"—the world of income tax.

I joined the Department of Revenue late in 1991 and have worked as a section manager and administrator in both the personal income tax and business tax programs. I also served as the agency's legislative coordinator for two sessions. My education is in economics; prior to my career with Revenue, I worked with the Employment Department, the Legislature, and the Oregon State Fire Marshal in research and management positions, including serving as State Fire Marshal.

Elizabeth, our director, told me my first assignment as deputy was to develop the agency's first strategic plan, our business plan. (Sure, start with the easy stuff!) She and other members of Management Team wanted a plan that would tie together the department's operations, budgeting, information technology, and performance measures. The plan was to outline the key departmental initiatives we wanted to accomplish for the next four years. There were times during the process that I was convinced we would never complete the task! Well, one year later, we hosted an employee celebration on October 6 to recognize the plan and how much we have already accomplished.

By focusing the department's efforts on the agency's goals and its major projects, I'm amazed at what we can accomplish, especially if we are committed to working across divisional and departmental boundaries. And yes, the business plan has definite applications to property tax. Karen Gregory and the Property Tax Division staff have built specific, measurable projects into the plan that will enhance and improve the program and our service to you. With projects ranging from electronic data transfer to digitizing assessors' maps, the plan is a blueprint for improving our services by supporting each other's efforts.

I want to help the department continue to provide a balance of education, assistance, and enforcement. I firmly believe that this balanced approach to tax compliance is the key to maintaining healthy tax systems.

So, what do I see as my focus? In my role as deputy, I want to help the department continue to provide a balance of education, assistance, and enforcement. I firmly believe that this balanced approach to tax compliance is the key to maintaining healthy tax systems, no matter what the tax program. We need to give taxpayers the tools and information they need to comply, as well as accurate and efficient systems. Also, as you can probably tell, I'm excited about the opportunities to use technology. By using automated tools effectively and appropriately, we can not only improve our services but also gain the time we all need to work together, learn, and plan for the future.

Speaking of the future, I am looking forward to working more closely with you and learning more about the world of property tax. Please feel free to call upon me any time and let me know if I can help!

A New Name for the Cartographic Unit

By TOM SULLIVAN, CARTOGRAPHER

In September 2004, the Cartographic Unit in the Oregon Department of Revenue changed its name to **Cadastral Information Systems Unit**. This unit provides cadastral mapping services for Oregon counties. The unit changed its name to more accurately describe the type of work the mappers do. The new name reflects the unit's mandated emphasis to set statewide standards for cadastral mapping and the move toward mapping with Geographic Information Systems (GIS) technology.

format was based on the initial presentation of a legal procedure actually experienced by one of the group, then that topic was opened for question-and-answer clarifications from all attendees. Jim King acted as the "town hall" moderator for the session. Some of the discussion topics were: "Standing," "Aggrievement," "Proof," and "Agreement." Presenters included: Steve Gerlt, Fred Smith, John Solhiem, Dave Arrasmith, Neil Hundtoft, and Linda Thomas.

By what appeared to be a unanimous show of hands at the end of the day, all concluded the effort was a complete success and that all who worked to make it happen should be commended.

Not so Trivia, Trivia

By JOHN PHILLIPS, POLICY LIAISON

- Property taxes imposed in **Oregon** totaled \$3.6 billion in fiscal year (FY) 2003-04. Property taxes imposed in **Washington** totaled \$6.5 billion in FY 2003-04. Property taxes imposed in **Idaho** totaled \$1.08 billion in FY 2003-04. (Source: *Oregon Property Tax Statistics 2004; Washington Dept. of Revenue; Idaho Tax Commission, Property Value and Tax Report, 2003*)
- All **beverage containers** that have a refund value (deposit) are exempt from property tax. By law these containers are not inventory since they are returnable and therefore they are not technically "sold." The 2003-04 assessed value of this property exempted was \$4.8 million. This exemption began in 1983.
- What is a "**casting head gas**"? This is the gas produced from an oil well as distinguished from a gas well. A privilege tax is imposed on casting head gas and gas generally. The Department of Revenue collects the tax and distributes it annually to the common school fund. Receipts are projected to total \$237,000 for the 2005-07 biennium. There are only 15 wells in Oregon, all in Columbia County. (Source: *Tax Expenditure Report, Oregon Department of Revenue*)
- In 1938 the **state property tax** assessed to fund state government was totally offset by income tax collections. In 1940, the State of Oregon discontinued the state property tax.
- There are 12 code areas in the state that have a combined tax rate total of less than \$10 per \$1000. Two of them are in **Rockaway**, Oregon. (Source: *Table H, OR Property Tax Statistics, Fiscal Year 2003-04*)
- The counties with the **highest and lowest** ranking percentage change in the amount of **imposed taxes** between fiscal years 2002-03 and 2003-04 are: Sherman (+13%) and Morrow (-9.8%). (Source: *Property Tax Statistics, Oregon Department of Revenue*)

Court Case Corner

By DOUG ADAIR, ASSISTANT ATTORNEY GENERAL

Norpac Foods, Inc. v. Dept. of Revenue, TC No. 4490, Preliminary Ruling

The Tax Court's preliminary ruling provides guidance regarding the interpretation of OAR 150-308.205(D), the rule governing valuation of industrial property. The court found that the rule does not restrict an appraiser's consideration of the highest and best use of the property to the current use. The court also affirmed the importance of the department's administrative rules in defining the methodology for appraisal.

Gall v. Dept. of Revenue & Yamhill Co., SC S51473

At issue was the RMV of a personal property mobile home. The Supreme Court held that the \$5 annual special assessment for the Mobile Homes Parks Purchase Account found in ORS 308.905 neither substituted for nor limited ordinary property tax assessments. The court also found that the taxpayer's position was frivolous and affirmed the Tax Court's award of damages and attorney's fees.

Cuno v. Daimler-Chrysler, U.S. Court of Appeals for the Sixth Circuit

The appellate court found that Ohio's corporate income tax credit for in-state investment violated the commerce clause of the U.S. Constitution by placing burdens on economic activity outside the state. However, the court upheld a related property tax exemption because the criteria for qualification, primarily employment levels, were related to the use of the property itself rather than an independent form of commerce. This decision, if sustained, could bring increased scrutiny to income, excise, and property tax incentives in all states.



**Curry County Courthouse
Gold Beach, Oregon**

OSACA 2004 Summer Conference

By GRANT MERRILL, PROGRAM MANAGER • PHOTOS AND CAPTIONING BY AL GAINES, APPRAISER ANALYST

This year's Oregon State Association of County Assessors (OSACA) summer conference was held at Mt. Bachelor Village in Bend, August 16-19.

The conference began with a welcome from Sherman County Assessor Dick Stradley, the conference facilitator.

Alana Audett, executive director of the Central Oregon Visitors Association also gave us a welcome speech and pointed out some of the area's sites.

DOR Director Elizabeth Harchenko and Property Tax Division Administrator Karen Gregory discussed some of the issues the Oregon Department of Revenue (DOR) and its Property Tax Division face.

John Phillips, DOR Property Tax Division, legislative coordinator, gave an update on the assessment and taxation (A&T) funding report he's preparing for legislative review later this year.

Ellen Crecelius, DOR research, talked about the significance of the Summary of Assessments and Levies (SAL) data requested from the counties.

Merri Seaton and Gayla Robblee, both of DOR, gave an update on the Industrial Section's appeal workload.

And DOR's Rosemary Love discussed the County Assessment Function Funding Assistance (CAFFA) grant application process and a customer survey conducted earlier in the year by the department.

The next day began with Douglas County Assessor Ron Northcraft explaining the new manufactured structures tracking system. DOR's Pat Young updated the group on issues involving the value of food-processing facilities.

John Mitchell, senior economist for U.S. Bank, followed with an interesting presentation. He explained everything from why the recent economic "downturn" couldn't meet the technically accepted definition of a recession, to the pressures baby boomers will place on the national Social Security fund.

Next up, Karen Quigley, director of Legislative Commission of Indian Services, presented an informative DVD produced by the Oregon Department of Transportation that addressed the legal and political protocols required when the interests of Indian tribes are involved.

After an "Atkins acceptable" lunch, state Rep. Tom Butler, R-Ontario, and Kathrine Reed, Oregon League of Women Voters, participated in a lively question and answer session moderated by Clackamas County assessor Ray Erland.

Paul Warner, Legislative Revenue Office, Jim Scherzinger, Portland School District, and Tom Potiowsky, Oregon state economist, were up next. They



2003-2004 OSACA President Dick Stradley with wife Arlone. Dick gives full credit to Arlone for keeping his attitude correctly adjusted while they were organizing the conference. A lot of credit for the successful conference, Dick emphasizes also goes to Jenine McDermid, the only employee of Sherman County Assessor Stradley.

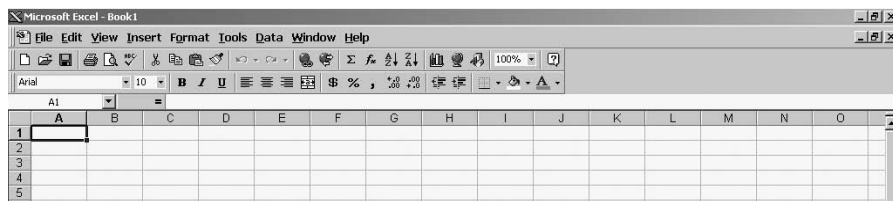


Donald Duck even made an appearance at conference. During a morning break attendees were treated to one of "The Duck's" classic cartoons. No, it had nothing to do with football, it was in honor of his 70th birthday. At right, John Mitchell, Senior Economist for US Bank prepares to speak.

MS Excel Tips and Tricks: Customizing Toolbars

By AL GAINES, APPRAISER ANALYST

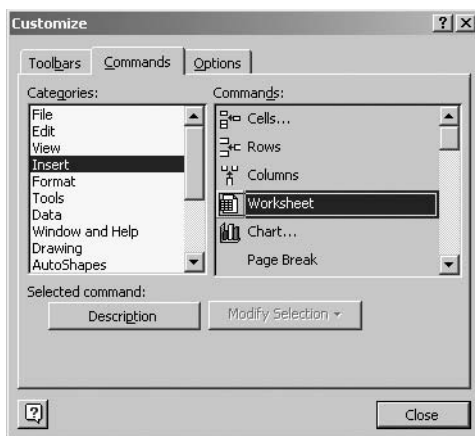
The toolbar buttons are great shortcuts.



Here's how to get more and get rid of the ones you don't use.

1. Right click on any existing toolbar button. Go to the bottom of the pop-up menu and left-click on **Customize...** The Customize window will pop up.

2. In the Customize window, left-click on the **Commands** tab. Check out the two windows on this tab: **Categories:** and **Commands:** If you want to know what a command button does, left-click on it, and then left-click on the **Description** button.



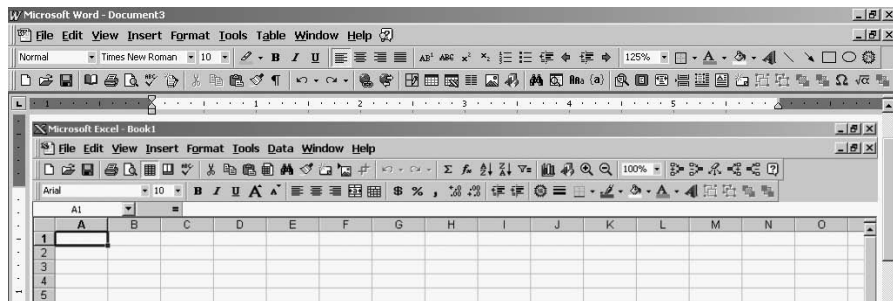
For example, one of the categories available is **Insert**. And one of my favorite additions to the Standard toolbar is **Worksheet**. If I add this button to the toolbar, then all I have to do to add a worksheet to the workbook I'm using is left-click that button.

3. To add the new button to the toolbar, left-click and hold on the icon in the Commands window, then drag the button out of the window and release it at the location on the toolbar you want it to occupy.

Conversely, to remove an existing button from the toolbar, simply drag that button out of the toolbar and into the open Customize window.

Oh, and if you don't like where a button is located, you can move it to a new location on the same toolbar or a different one; just left-click and drag the button to the desired location while the Customize window is open.

And customizing toolbars is not unique to Excel. Here's an example of customized MS Excel toolbars displayed with MS Word. Note the customized toolbars in the Word window.



FOCUS Continued from page 1

New job brings new challenges

Classes and training weren't the only obstacles Gregg had to face in his new Valuation position. Having been trained with an accounting/auditing perspective, he found it difficult to accept the idea of "a range of value." That the range of reasonable value for some of the large utilities could span \$10 million or \$100 million was even more challenging. Dealing with subjective issues was outside his experience. He had to learn that no matter how he valued some properties, the property owners would present numerous theories as to why the value should be lower.

Upon moving to the Corporation Section, Gregg joined a team that was creating a whole new program. All policies and procedures for the Nexus Unit had to be written from scratch. While the process was fruitful, it was sometimes long. He and his co-workers all appreciated being able to move forward and press out-of-state corporations to file Oregon returns.

In his new position as conference officer, Gregg is still learning the job's challenges. He's developed strong communication skills in previous jobs and says that communication is the key to being a good conference officer. This involves listening and understanding diverse viewpoints as well as explaining the reasoning behind his decisions or actions. Gregg also has found he has an affinity for analyzing statutes and rules and applying them to specific situations. With these skills and knowledge base, Gregg should have a long, successful career as the conference officer.

discussed the state's economy and the economic forecast. Washington County Assessor Jerry Hanson moderated the panel discussion.

Finishing the day was an ORMAPP update by DOR's Brett Juul, Doug Holt, and Gerald Longton. They also talked about cartographer certification and aerial imagery.

The Association installed new officers. Marion County Assessor Doug Ebner will be the OSACA president for the upcoming year.

OSACA's winter conference will be held in Seaside, January 10-12, 2005.



John Mitchell, at his best, explains today's economic realities. Always an energetic, entertaining and enlightening speaker Mitchell certainly has the attention of Property Tax Division Administrator Karen Gregory (background right) and PTD Valuation Manager, Pat Young (to her left).



Dick Stradley (l) and Doug Ebner (r) discussing OSACA business. Stradley, the outgoing Oregon State Association of County Assessors president confers here with incoming president, Marion County Assessor Ebner.

Comings and Goings

By MARY KINTNER, EXECUTIVE ASSISTANT

New Employees:

David Quillin, cartographer 3 • Melissa Ringeisen, office assistant 2 • Cliff Johnson, appraiser analyst 3 • Michael Vaughn, appraiser analyst 3 • Judi James, program representative 2 • Sandra DeAvilla, appraiser analyst 3 • Paul Matich, appraiser analyst 3 • Gregory Plass, appraiser analyst 3 • Nicole Wargnier, student office worker • Ashley Zuniga, student office worker • Joanne Gough, appraiser analyst 3

Resignations:

Ruben Tarr, student office worker • Ed Gerhardus, appraiser

analyst 4 • Ellen Cecelius, research analyst

Promotions:

Sandi King, appraiser analyst 3 to program representative 2 • Rodney Therriault, cartographic program specialist

Work out of Class:

Taraleen Elliott, PEM C, Valuation Section • Grant Merrill, PEM E, Cadastral, Deferral, ORMAPP, Timber • Micheline Mosher, office specialist 1

Grapevine

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Editorial Board: Al Gaines
Shanne Johnson
John Phillips
Tom Sullivan
Christie Wilson
Gary Wright

To be added to the Grapevine mailing list or to submit articles, contact:

Oregon Department of Revenue
Property Tax Division
955 Center Street NE
Salem OR 97301-2555

or e-mail us at:
grapevine.newsletter@state.or.us

Phone: 503-945-8292
Fax: 503-945-8737
TTY: 503-945-8617

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Check out the new "Maps Online" section of the ORMAPP Web site at www.ormapp.org