

NETWORK



THE QUARTERLY NEWSLETTER OF VIRGINIA'S ASSESSMENT PROFESSIONALS

Featured Jurisdiction



Written by Sharon Brumfield, Sr. Residential Appraiser IV

Hanover County, consisting of 477 square miles, was formed in 1720, the result of a division of New Kent County. The name Hanover came from King George III of England whose former title was Elector to Hannover in Germany. Famous names you might associate with Hanover County include Patrick Henry, who's residence, Scotchtown is now a historical site and Henry Clay, who tended bar at Hanover Tavern and practiced law at Hanover Courthouse. Steeped in history from the Revolutionary War and Civil War, Hanover County has many historical sites and landmarks.

Located approximately 15 miles north of the city of Richmond, and divided by Interstate 95, Hanover is a convenient location for residents and businesses. Among them are:

- Randolph Macon College, a liberal arts college, has been in Ashland since 1868.
- Bon Secours Regional Medical Center, built in 1998 with additions in 2001, was named one of the Top 100 hospitals in the United States.
- Paramount Kings Dominion, located off Interstate 95 on a 400-acre site, attracts 2 million visitors a year.
- Richmond Newspapers, Inc., producer of the Richmond Times Dispatch, relocated to Hanover in 1999.
- FPL Energy-Doswell Limited Partnership, an independent power plant, is Hanover's top taxpayer.
- Richfood, Inc., a food distributor, is Hanover's largest non-governmental employer.

Winter 2002

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Hanover County has emerged as one of the faster growing counties in the Commonwealth of Virginia, averaging a 3.3 yearly percent increase in population. During the period of 1990-2000, the county's population grew from 63,306 to 86,320. Currently, the county has 40,308 parcels of land. As a result of this rapid growth, the citizens of Hanover have become more and more concerned as the growth pace continues. Because of this concern, the Board of Supervisors has taken steps to slow growth. Testament to those efforts is the comparison of 1544 new lots in 1996 to 835 new lots in 2000.

Our Board of Supervisors actively seeks and envisions a community that has a broad business base while retaining its rural character, historical perspective and community based environment. The Hanover County Planning Department which develops the comprehensive plan in conjunction with directives from the Board of Supervisors, deserves much credit.

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NETWORK is looking for interesting articles and news for future publication. Articles and photos, if not original, should contain the source and written permission allowing published use.

**Spring 2002 Issue
Publication Deadline
April 15, 2002**

A Message from VAAO President, Bruce Woodzell



Oh the Weather Outside is Frightful. Isn't that the way the song goes? Actually, so far it's been a fairly mild winter in Virginia. I've heard a deep snow hit those lowlanders down east pretty hard, however, reliable sources tell me they all enjoyed the day off from work. Lucky rascals!

For all of you who are on annual assessment, I hope your reassessment went smoothly and your hearings are, or soon will be, over. For the rest of us on biennial or longer reassessments, we have miles to go before we sleep.

But let's look forward to what's coming up. The Advanced Assessor's School will be held June 9th through June 14th in Williamsburg. Various IAAO courses will be offered, as well as the USPAP course, and a couple workshops. The VAAO Education committee has already met twice, and will meet again in February to continue planning and preparing for what I know will be an informative and beneficial Seminar. I know we can all agree that the Seminar provides access to excellent educational opportunities for a very reasonable cost, so make sure to mark your calendars to be here in Albemarle, July 9th to 11th. Hopefully your long range plans also include attending the 2002 VAAO Conference in Williamsburg, September 18th-20th.

As always, the General Assembly will be busy this year. The VAAO webpage, www.vaa.org, provides easy access to the General Assembly homepage, and I would encourage each Assessing Officer to review this year's suggested legislation, especially paying close attention to the following: HB239, HJ150, SB 253, SJ 70, and SB 544.

In closing, current economic conditions and budget constraints may prevent you from participating in everything we have planned this year, but I would encourage everyone to make an effort to attend as many of the educational events as possible. You will find it's money well spent.

All the best, Bruce

On a personal note, and on behalf of the VAAO membership, deepest sympathies are extended to the family of Mr. Delmer Wilson, Jr., Wise County Commissioner of the Revenue, and President of the Commissioner of the Revenue Association. Mr. Wilson passed away suddenly on January 14th. Deepest sympathies are also extended to Mr. John Birkhead, retired Assessor Roanoke County, on the passing of his wife, Ann.

Hanover County (Continued from page 1)



Hanover real estate assessments were formerly maintained by the Commissioner of Revenue and contracted out to independent appraisal companies every four years for reassessment. But with property values increasing over 7% a year and the construction of an average of over 800 new homes a year, the Department of Real Estate Assessment was created in 1990 using a basement office that was formerly an employee lunch room. With a staff consisting of a Deputy Assessor and 5 Appraisers, new Assessor John W. Nelms, Jr. began the task of creating property record cards and assessing every parcel in the county, including measuring all improvements. In prior reassessments, each company started from scratch, so the only history available was on the current assessment cards (1988) and the previous assessment (1984) boxed in storage. The office's first assessment was 1992.

Not satisfied with that accomplishment, the department then contracted Kb Systems (now H.T.E.) to implement a new CAMA system. The first on-line assessment was in 1994. In the meantime, Hanover's Planning Department launched a new GIS mapping and addressing system. This involved re-addressing the entire county and has proved beneficial, not only to emergency services, but to other county departments and the public. Parcel numbering is now more systematic and logical, as well as every property has an address. In addition, assessment data can be linked with parcel data from other departments to produce detailed individual or neighborhood maps. This will only be enhanced as more and more departments come on line.

Information Technology launched Hanover County's web site (www.co.hanover.va.us) in 2000, making assessment data available on-line, including limited parcel maps. The Department of Assessment has approximately 3,000 hits per month which greatly frees up valuable time for all of the office. Additionally, the Richmond-Metro MLS is supplied with data to provide tax records on line. The combination of both sources make accessing property data by the public easier and helps the office run more efficiently.

The Hanover County Department of Assessment currently has 10 employees including Assessor, Deputy Assessor, 6 Staff Appraisers, Secretary and Account Clerk. We have a very qualified appraisal staff. Of the eight members of the appraisal staff, seven of the eight are state licensed and six have professional designations.

The Assessor's Office is proud of their Career Ladder Program that compensates their appraisers for obtaining state licenses and again for a Professional Designation. The Assessment Department handles assessments only. The Land Use Program and Relief For the Elderly Program is administered by the Commissioner of Revenue.

John W. Nelms, Jr. RES, SRA, was appointed Chief Assessor by the Board of Supervisors in 1990 to oversee the creation of the office. He was formerly a supervisor with Henrico County and has been in the appraisal business for 25 years. He is active in various organizations including the IAAO, VAAO and the Central Virginia Chapter of the Appraisal Institute.



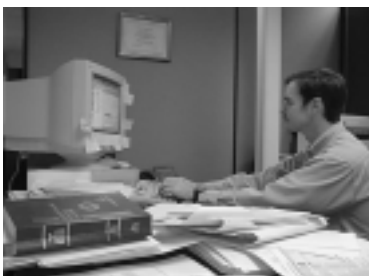
Appraisal Due Diligence

Randall Bell, MAI

A basic function of any real estate appraisal is to identify the characteristics of the subject property and inform the client of any adverse or detrimental conditions. Boiler plate disclaimers alone may not suffice in dealing with environmental risks, soils conditions, natural hazards and a host of other issues, particularly if the issue has a material impact on value. Certainly, the appraiser must address any *readily observable* and *readily obtainable* information. These fundamental duties come from a variety of sources:

- *The appraiser must be aware of and report any contamination disclosed by the client or found through the normal observation and research conducted during an appraisal assignment.* (USPAP, Advisory Opinion AO-9).
- *Environmentally related hazards can be a source of high risk and potential liability...potential environmental problems exist in a myriad of forms such as asbestos insulation, underground storage tanks, surface improvements, septic tanks systems, and/or oil & gas wells* (OTS 1989 Bulletin TB-16).
- *The appraiser has a responsibility to note in the appraisal report any adverse conditions that were observed during the inspection of the subject property or report any information that he or she became aware of through the normal research involved in performing the appraisal.* (Fannie Mae Selling Guide VII, 303 and 405.02).

In meeting these responsibilities, five sources of information have been identified, which are; (1) personal knowledge, (2) a request for documents, (3) on-site observations, (4) on-line research of public agency databases, and (5) an interview with the property owner or manager. At a minimum, the appraiser should discuss these resources with the client and state what was and was not done within the scope of work.



**Residential Appraiser,
Jim Welsh**

1. Personal Knowledge:

Simply stated, appraisers are the eyes and ears for the lender or client and must disclose any issue that they are already aware of. This could include information from prior experience, other appraisers, industry publications, news or media reports, seminars or meetings, discussions with other clients or professionals and so forth.

2. Request for Documents:

Often, considerable information is available to the appraiser, just for the asking. If the information was readily available but not requested by the appraiser, this could increase the appraiser's liability. Of course, only in rare circumstances would all these documents be available, but such a document request could include:

- Aerial photographs
- Appraisals
- Architectural plans
- Claims or litigation documents, including any related fire-police reports
- Contracts
- Environmental impact reports
- Land use regulations, i.e., zoning or general plans
- Leases
- Loan, escrow or closing documents
- Phase I or II environmental studies
- Property inspection reports or structural engineering studies
- Site plans
- Site surveys
- Soils or geotechnical reports
- Special studies
- Termite reports
- Title reports
- Other relevant studies or documents relating to the property

3. On-Site Observations:

Appraisers generally make on-site observations of the subject property. They may do only an exterior inspection or no inspection at all, if this is agreeable with the client and set forth in the scope of work. On-site observations could involve noting any obvious evidence of damages to the roof (as observed from the ground level), ceilings, walls, floors, appliances and general condition of electrical, gas and plumbing. The general operation of heating, air conditioning, water heater units, elevators and other mechanical units could also be noted. Of course, the appraiser would not normally be responsible for discovering latent defects or conducting an inspection on parcel with that of a professional property inspector.

4. On-Line Research:

Information that was once very difficult or even impossible to obtain just a few years ago is now readily available on the Internet. Environmental risks, pipelines, jail or prison proximity, natural hazards and numerous other public agency databases can be researched in minutes.

(Continued on page 5)

Appraisal Due Diligence (Continued from Page 4)

These public agency resources are attached and can also be found at www.REDreport.com, which offers both free links for governmental databases as well fee-based searches.

5. Interview with the Property Owner or Manager:

The property owner or manager is an important and obvious source of information. Unfortunately, some appraisers literally walk by this key resource. Of course, the property owner or manager may not always be available, or they may be unwilling to discuss any issues. On the other hand, they may have important information, just for the asking. In any case, the appraiser may reduce their liability by *attempting* to interview them, even if they are unwilling, uncooperative or not forthcoming. Attached are the “20 Questions” that are presented in the “Real Estate Disclosure Seminar”, which can be used for these interviews.

In conclusion, all appraisers have a responsibility to describe the characteristics of the subject property. The scope of work should clearly state what the appraiser did and did not do in this regard. This due diligence process provides a straightforward and practical way to not only meet these basic responsibilities, but also increase efficiency, improve the quality of reports and bring value to clients and the appraisal process.

On-Line Sources of Public Disclosure Information

Items of Disclosure	Home Page	Specific Site Address
Airports	http://www.bts.gov	http://www.bts.gov/oai/
Arenas	http://www.bts.gov	
Cell Towers	http://www.fcc.gov	
Cemeteries	http://www.bts.gov	
Census Information	http://www.ffiec.gov	http://www.ffiec.gov/geocode/default.htm
CERCLA Sites	http://www.epa.gov	http://epa.gov/superfund/action/law/index.html
Colleges	http://www.ed.gov	http://nces.ed.gov/globallocator/
Conservancy & Recovery Act (RSRA)	http://www.epa.gov	http://www.epa.gov/enviro/html/em/index.html
Convicted Child Molesters	http://www.usatrace.com	http://www.usatrace.com/sex.html
Dams	http://www.usace.army.mil/	http://crrel43.crrel.usace.army.mil:4040/webpub/plsql/catalog_lookup.advanced_search
Earthquake Faults	http://www.usgs.gov	http://earthquake.usgs.gov/eq_regional.html
Fall Zones	http://www.fcc.gov	
Federal Historic Site	http://www.nps.gov	http://www.cr.nps.gov/
Federal Superfund Sites	http://www.epa.gov	http://www.epa.gov/superfund/sites/locate/index.htm
Flood Hazard	http://www.fema.gov	http://www.fema.gov/about/regoff.htm
Hurricanes	http://www.noaa.gov	
Jails & Prisons	http://www.corrections.com	http://www.corrections.com/aca/pubs/index.html
Leaking Underground Storage Tanks (LUST)	http://www.epa.gov	http://www.epa.gov/swerust1/states/index.htm
Military Airports	http://www.doc.gov	
National Parks	http://www.usgs.gov	
National Priorities List (NPL), Resource	http://www.epa.gov	http://www.epa.gov/superfund/sites/npl/npl.htm
Nuclear Power Plants	http://www.nrc.gov	http://www.nrc.gov/NRC/reactors.html
Pipelines	http://www.usgs.gov	
Places of Worship	http://www.bts.gov	
Power Lines	http://www.usgs.gov	
Radon Zones	http://www.epa.gov	http://www.epa.gov/iaq/radon/zonemap.html
Railways	http://www.doc.gov	
Schools	http://www.nces.ed.gov	http://nces.ed.gov/globallocator/
Solid Waste Sites	http://www.epa.gov	http://www.epa.gov/epaoswer/osw/regions.htm
State Superfund Sites	http://www.epa.gov	http://www.epa.gov/superfund/sites/locate/index.htm
Tidal Wave Zones	http://www.noaa.gov	
Tornado Zones	http://www.noaa.gov	
Transport-Disposal Sites	http://www.epa.gov	
Volcano Zones	http://www.noaa.gov	

Note: While web sites tend to be “stable”, specific site addresses are prone to change.

Source: Real Estate Disclosure Seminar

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20 Questions For Real Estate Professionals

General

1. Are the property's general features and issues* identified, i.e., size, history, title, trend, etc?

Transactional

2. Are there transfer issues, i.e., non-arm's length, foreclosure, option, assemblage, etc?

3. Are there special financing issues, i.e., seller financing, exchange, balloon, wrap, etc?

Distress

4. Are there accident or tragic issues, i.e., fire, violation, death (non-AIDS), etc?

5. Are there crime issues, i.e., crime scene, burglary, neighbor with criminal record, etc?

Legal

6. Are there legal issues, i.e., lease, easement, CC&R, lien, bond, contract, moratorium, etc?

7. Are there suit or claim issues, i.e., legal claim, insurance claim, title claim, etc?

8. Are there special Governmental issues, i.e., eminent domain, unusual zoning-assessment, etc?

External

9. Are there area land use issues, i.e., airport, jail, school, cemetery, powerline, pipeline, etc?

10. Are there nuisance issues, i.e., noise, odor, view, construction, traffic, etc?

Building

11. Are there building issues, i.e., defect, termite, pest, ADA, code, permit, etc?

12. Are there repair issues, i.e., roof, structural, window, door, utility, appliance, floor, etc?

Site

13. Are there soil issues, i.e., corrosive, expansive, porous, subsidence, slide, creep, etc?

14. Are there geotechnical issues, i.e., grading, cut and fill, compaction, drainage, crack, etc?

Environmental

15. Are there hazardous substance issues, i.e., hydrocarbon, solvent, radioactive, bio, metal, etc?

16. Are there contamination issues, i.e., asbestos ('79), lead paint ('78), spill, leak, septic, etc?

17. Are there environmental agency issues, i.e., Superfund, LUST, landfill, RCRA, NPL, etc?

Conservation

18. Are there natural resource issues, i.e., habitat, open space, wetland, etc?

19. Are there historic or cultural resource issues, i.e., district, NRHP, archeology, etc?

Natural

20. Are there natural hazard issues, i.e., flood, wildfire, earthquake, tornado, storm damage, etc?

*All issues are those known: past, present or proposed.

Source: Real Estate Disclosure Seminar. 2000 REDreport.com. Used by permission.

Randall Bell

Randall Bell is an applied economist with Bell Anderson & Sanders LLC, in Laguna Beach, California. Prior to this, he founded and directed the property damages practices at Price Waterhouse. He holds the MAI designation and specializes in valuation and expert witness testimony related to environmental, geotechnical, natural disasters, eminent domain and other detrimental conditions. Mr. Bell is the author of textbook *Real Estate Damages*, (Chicago: Appraisal Institute, 1999). His assignments include the Avila Beach tank-farm leak, the Durham Woods pipeline explosion, the LA Metro Mall landfill, the Malibu floods, the Maui oil spill and environmental damages caused by nuclear weapons testing at the Bikini Atoll, Marshall Islands. His career has been profiled from the *Wall Street Journal* to *People Magazine*, as well as all major television networks and *CNN*. Mr. Bell has a BS Degree in Finance from BYU and a MBA Degree from UCLA.



**VAAO BOARD MEETING
OMNI HOTEL, RICHMOND, VA
NOVEMBER 30, 2001**

Call to order by Bruce Woodzell at 10:00 a.m.

In Attendance:
Voting Members and Guests:

President:	Bruce Woodzell
President Elect:	Jerald Banagan, ASA
1 st Vice President:	Sam Davis, CAE
2 nd Vice President:	Larry Thurston, ASA
Secretary:	Janet Coldsmith, CAE - Absent
Treasurer:	Joseph Street, SRA
Director:	June Hosaflook, COR - Absent
Director:	Susan Lower, SRA
Director:	David Sanford, CAE
Director:	Roosevelt Barbour, RES
Director:	Ron McKissock
Director:	Larry Mackereth, CAE



President Woodzell welcomed everyone to the meeting.

Invocation: Brian Bergen, MAI, SRA

Pledge of Allegiance: Butch Eason

Minutes of the Last Meeting: Sam Davis, CAE (for Janet Coldsmith, CAE)

A motion was made and seconded to dispense with the reading of the minutes from the March 25, 2000 meeting. All ayes. One change to the Use Value Committee report located on page 2. The word ordinance replaced the word legislation.

Treasurers Report: Joseph Street, SRA

Treasurers Report was for period September 28, 2001 to November 30, 2001. Beginning balance \$60,937.48, plus income 2,103.25, less expenses \$7,338.70, resulting in a new balance of \$55,702.03. A motion was made and seconded to approve the treasurers' report. All ayes.

Committee Reports:

Reporting to the President Elect: Jerald Banagan, ASA

Education Committee: Elizabeth Craft

The committee will hold its first meeting December 19, 2001, in Charlottesville.

Audit & Finance: George Barham, Jr.

The committee met October 18, 2001, for the purpose of performing an internal audit on the Treasurer's books. All asset accounts were examined and found to be in order, except for the Arrangements Committee Seed Money. This account will be audited upon final settlement of accounts for the September 2001 Annual Conference. George thanked Larry Thurston for a job well done during his tenure as VAAO Treasurer.

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Board Meeting Minutes (Continued from Page 7)

Annual Meeting: Janice Hudgins

The 2002 Annual Conference will be in Williamsburg, September 18-20, at the Marriott Hotel. Virginia Beach will host the 2003 event, October 7-11, at the Cavalier Hotel. Janice announced negotiations for the 2004 Conference with the Richmond Omni Hotel had been finalized, with dates of September 22-24. A motion was made and seconded to accept the Omni Hotel for 2004. All ayes.

Reporting to the First Vice President: Sam Davis, CAE

Arrangements: Janice Hudgins

The 2001 Annual Conference loss stands at \$2,792.91, less \$55.00 owed, for a projected net loss of \$2,737.91.

Membership: John Nelms, RES, SRA - Absent

Sam reported that since beginning the New Year, two individuals have submitted applications. Last year, the association gained thirty-three new members.

PDP Advisory: Tammy Carroll, CAE

No Report.

Personnel: Ron Agnor - Absent

No Report.

Reporting to the Second Vice President: Larry Thurston, ASA

Awards: Martha Geisen, CAE

A recommendation has been made to enhance the quality of Certificates of Appreciation, similar to those presented by the International Association of Assessing Officers. Martha is to investigate and report at the next Board meeting. Wayne Trout thanked the committee for its effort last year.

Resolutions: Sandra Hughes

On behalf of VAAO, Sandra extended condolences to Martha Geisen on the recent loss of her spouse.

Manual: Bruce Lowe - Absent

No Report.

Publicity: Kim Smith/Susan Garling

The next issue will be mailed February 15, 2002, and the submittal deadline is January 15, 2002.

Reporting to the President: Bruce Woodzell

Nominating: Wayne Trout, ASA

No Report.

Legislative: Tommy Rice, CAE - Absent, Charles Crowson - Absent

There was general discussion regarding the upcoming General Assembly session and possible legislation impacting VAAO and ad valorem taxation.

Communications & Technology: John Yeatman, AAS

John again thanked the VAAO for bestowing him a Lifetime Membership Award. He also discussed recent enhancements and updates to VAAO's website. John suggested posting certain pertinent information from the Annual Salary Survey.



Board Meeting Minutes

Use Value: Richard Wood

No Report. Susan Garling briefly discussed a recent Supreme Court decision in Chesterfield County.

Parliamentarian: Wendel Ingram, ASA

No Report.

Chaplain: Brian Bergen, MAI, SRA

No Report.

Historian: Randolph A. Rush

Randy asked for any current or past information/articles regarding members or localities. He also requested copies of any reports submitted at Board meetings.



Flag Bearer/Sergeant at Arms: Butch Eason

VAAO has a new banner and Host Marriott Corporation offered to pay the \$354.85 cost. After discussion, a motion was made and seconded to accept the offer. Motion carried.

Commissioner of the Revenue Liaison: Joyce Clark

Joyce requested the continued support of VAAO and a strong liaison with the Commissioner's Association.

Old Business

President Woodzell presented Julio Del Corso, CAE, the 2001 VAAO Most Valuable Member Award.

New Business

The issue of regional educational programs offered by individuals to VAAO members was discussed. In order to better coordinate the subject material and timing of these offerings with VAAO programs, a Presidential appointment of a Regional Seminar Liaison to the Education and Arrangement Committees was proposed. A motion was made and seconded to approve the appointment. All ayes.

Joe Street presented the proposed 2002 budget with total income of \$20,000, expenses of \$19,750, with net income of \$250. After considerable discussion, the \$250 dollars was transferred to Scholarships, resulting in a balanced budget. A motion was made and seconded to approve the 2002 budget. All ayes.

The 2002 Advanced Assessor's School will be held in Williamsburg, June 10-14.

President Woodzell urged all officers and committee members to honor their commitment and work hard for the members of our association.

Having no further business, the meeting adjourned at 12:20 p.m.

Respectfully Submitted Submitted,

Sam Davis, CAE
(for Janet Coldsmith, CAE)



Assessor School

The Virginia Tax Department will be offering its 2002 Advanced Assessor School at William and Mary from June 9 to June 14, 2002.

Localities should be receiving packets by January 15, 2002 with information on courses, hotel rooms, dorm rooms, and other pertinent matters. If anyone has a question, please call Julio Del Corso or Brian Bergen at 804-367-8020.

Amends these Guides: Selling and Servicing**Issues Related to Aftermath of September 11 Terrorist Attacks**

In the aftermath of the tragic events of September 11, we have taken a number of steps to assist lenders in addressing problems that have arisen in connection with the sale and servicing of mortgages secured by properties located in areas that may be affected by the attacks. Our initial action was to extend our existing policies and procedures for providing relief to victims of natural disasters to those affected by the terrorist attacks. We subsequently reminded lenders of our longstanding procedures for implementing the Soldiers' and Sailors' Civil Relief Act for reservists who have been called to active duty. Lenders have requested guidance on a number of other issues that have arisen in connection with the September 11 attacks. This Announcement addresses three of those - property appraisals performed subsequent to September 11 (including those for properties located near the World Trade Center), the need for compliance with Executive Order 13224, and recognition of state-mandated relief for members of the National Guard or state militia.

**Property Appraisals Performed Subsequent
To September 11, 2001**

Some lenders have asked for guidance on how to address appraisers' concerns about their ability to measure the effect that the September 11 events may have on the value of one-to-four family properties. Specifically, they are concerned about statements that some appraisers plan to include in all of their appraisal reports. These statements include language similar to the following:

"The date of value in this assignment is subsequent to September 11, 2001, the date of the attack on the World Trade Center in New York City and on the Pentagon in Washington, DC. The scope of this appraisal assignment does not include the measurement of any effect of these events on the real estate market or on the value of the subject property. Therefore, the value opinion and other conclusions expressed in this report are subject to the extraordinary assumption that these events have had no effect on the marketability or market value of the subject property. The client and intended users of this appraisal are cautioned that if this extraordinary assumption is incorrect, the value opinion and other conclusions expressed in this report could be significantly different."

We believe that this type of statement represents a limiting condition to the appraisal, which could result in a misleading appraisal report because the dynamics of the market are ignored. Although we permit an appraiser to add some certifications to an appraisal report, we will not purchase or securitize a mortgage for which the appraiser has added a limiting condition to the appraisal report. However, we recognize that, in the short-term, there may be limited (or no) market data available to measure the effect of the events of September 11. In view of this, we will accept the following additional certification and notice in appraisal reports for mortgages secured by properties located in the affected areas of New York City. (This additional certification must not be used in connection with properties located elsewhere.)

"The date of value in this assignment is subsequent to September 11, 2001, the date of the attack on the World Trade Center in New York City. The appraiser has examined all reasonably available data to arrive at a final value opinion. The reader is cautioned that as additional data becomes available the value conclusion is this report may or may not be affected."



The use of this certification and notice does not relieve the appraiser from arriving at a supported opinion of value. We expect the appraiser to make every effort to consider and use all available market data in his or her property valuation, focusing on the neighborhood in which the subject property is located and taking into consideration the influence of social, economic, governmental, and environmental forces on property values. These forces are often interrelated, rather than being distinct or mutually exclusive. We recognize that it will be some time before the general marketplace adjusts to the point that the difficulties in arriving at an opinion of market value for these properties are eliminated. Until then, we will make every effort to offer sound advice and work with lenders that are originating mortgages in the New York City market.

Compliance with Executive Order 13224

On September 23, 2001, President Bush signed Executive Order 13224. This Executive Order (1) prohibits U.S. persons from entering into transactions with specifically identified persons or entities who have committed, pose a significant risk of committing, or support acts of terrorism and (2) requires U.S. persons to block all property (and interests in property) that is in the United States or is within the possession or control of such identified persons who are in the United States. The lists of terrorists, terrorist groups, and supporters to be sanctioned are maintained by the Treasury Department's Office of Foreign Asset Control. The current lists (and subsequent updates to them) can be found on the Treasury Department's Web site (<http://www.treas.gov/terrorism.htm>).

U.S. persons who must comply with Executive Order 13224 include any U.S. citizen or permanent resident; any entity (which includes partnership, associations, corporations, or other organizations, groups, or sub-groups organized under the laws of the United States, as well as their foreign branches); or any other person who is in the United States. U.S. persons who provide materials or services to sanctioned persons or entities can also have their assets frozen. For this reason, we are reminding lenders of the importance of complying with the provisions of Executive Order 13224 in their selling and servicing activities. We encourage lenders who have any questions about the provisions of Executive Order 13224 (including the most judicious way of implementing them) to seek advice from their legal counsel.

State-Mandated Relief for National Guard and Militia Members

Some states have laws that provide relief for civilians who are serving or have served as members of the National Guard or state militia. Servicers have asked us whether our policies permit them to postpone or suspend foreclosure proceedings or to offer other forms of relief to National Guard or militia members that a state governor has called to active duty as the result of the terrorist attacks. We expect servicers to comply with all applicable state laws, so any state-mandated relief provisions (including the postponement or suspension of foreclosure proceedings) should be honored. We also provide for the granting of relief for delinquent mortgages under such circumstances in our guidelines for special forbearance (which are discussed in Part VII, Section 302, of the Servicing Guide). Should a state law provide for an interest rate reduction while the borrower is on active duty, the servicer should follow our guidelines for military indulgence (see Part VII, Section 304, of the Servicing Guide).

When adapting our policies and procedures to accommodate the provisions of state-mandated relief, the servicer must comply with all of the provisions of the applicable state law -- such as those related to eligibility criteria, specific forms of relief, the extent of the relief, etc. -- even if the provisions are at variance with our usual requirements for granting special forbearance or military indulgence or conducting foreclosure proceedings.

Robert J. Engelstad
Senior Vice President

From the VAAO Awards Committee

The members of the Awards Committee are seeking member and nonmember nominations for VAAO awards to be presented at the Annual Meeting this fall. A nomination form along with award guidelines are included in this issue of the NETWORK. (See page 14). Be sure to include sufficient details to support your nomination. If you have any questions, just call one of the committee members:

- Mike Dunstan (757) 664-4732
- Ken Strickler (804) 520-9272
- Martha Geisen (804) 751-4334
- Dick Whitaker (757) 427-8549



No, Chief, the crowd isn't here for Brittany Spears' concert tickets. They say they received their assessment notices this week and want to talk to the Assessor!

Jurisdiction Reports and Membership News

City of Virginia Beach:

Four residential appraisers were recently promoted to Appraiser II. Congratulations to **Margie Pearce, Doug Murphy, Jennifer Brunk** and **Peter Lynch**. Additional congratulations to Pete who recently received a Bachelor of Science degree in Business and Public Administration from Old Dominion University.

Gloucester County:

Gloucester County is building a four story courthouse. Construction is expected to be completed in October, 2002.

Charles City County:

Dynegy Power Company has selected Charles City County as the site for a power plant. The Board of Supervisors has given approval to all permits requested. Dynegy is applying to the State for an air permit and to the Dept. of Environmental Quality for other permits.

Project costs will be from \$100 million to \$200 million, depending on whether three or four generators will be built. Construction is proposed to start in April, 2000 and end in early 2004. Only ten to twelve full-time positions will be created, but 150 people will be employed during construction of the plant.

58.1-2606 will be utilized to determine the taxes paid by Dynegy to Charles City County. This section of the Code creates a new category of property. Dynegy will not pay a real estate tax, personal property tax, or machinery and tool tax. The tax rate for this new property category cannot be higher than the county real estate tax rate. The SCC, which will assess the property, is developing new regulations on assessing this type property. Charles City County estimates that Dynegy will pay between \$700,000 to \$1,000,000 in taxes.

Hampton:

Olivia Griebel has been promoted from Appraiser to Senior Appraiser. **Ayanna Williams** has been hired as Appraiser.

Nelson County:

Reassessment last year went well.

Newport News:

Jimmy Franks retired at the end of June after almost 20 years with the City. His responsibilities ranged from appraising residential property to valuation of the Shipyard. He has an SRA designation and hold a Certified Residential Appraiser License.

Jimmy's vacancy was filled by **Kathy Shearer**. Kathy has over 14 years experience as an independent fee appraiser. She has an SRA designation and holds a Certified Residential Appraiser License.

Another recent addition to the City's appraisal staff is **Chester Vester**. Charles comes to Newport News after 20 years operating his own independent appraisal and consulting business. He is a Certified Residential Appraiser and a Certified Public Accountant in both Virginia and North Carolina.

James City County:

The James City County Board of Supervisors recently approved the creation of a Purchase of Development Rights (PDR) Program. The PDR Program is a voluntary program that pays landowners to protect the cultural and natural resource assets of their property. The PDR Program allows landowners to enter into agreements to sell the development potential of their property to the County. The purpose of the PDR Program will be to protect open-space, community character, farmland, and natural resources within the County.

The program administrator is Michael Drewry. A PDR Committee is now being formed and will consist of five County residents and property owners interested in conservation, planning, real estate, agriculture, forestry, and related fields. The PDR Committee will be responsible for promoting the newly enacted PDR Program, ranking PDR applications, and annually reviewing the overall effectiveness of the PDR Program.

Highland County:

Still has controversy brewing about a 3 mile stretch of road...it's 'driving ' people crazy!

Powhatan County:

Blue Ridge Appraisal Company has just finished the reassessment of the county.

Essex County:

SouthTech, the largest industry in Essex County, is moving its operations overseas. The closing of the plant, which makes computer chips, will result in a loss of over 200 jobs. This is a big blow to a small county like Essex.

City of Winchester:

We are welcoming **John G. (Jay) Russell, III**, as the new Commissioner of Revenue. He was elected to replace **Lacky G. Sempeles**, who chose not to seek another term after serving the City of Winchester as Commissioner for 20 years. Lacky was honored December 27th at a surprise retirement party attended by more than 100 friends.

Blue Ridge Appraisal Company, of Staunton, Virginia, is the successful bidder to assist the Board of Assessors in conducting a general reassessment during 2002, to become effective January 1, 2003. Winchester, which has about 9,300 parcels, reassesses every four years. A national firm, Cole-Layer-Trumble Company, also bid on the reappraisal work.

Roanoke County:

John Birkhead, a long time VAAO member and retired Assessor from Roanoke, has lost his wife, Ann, to cancer. Please keep John and his family in your thoughts and prayers.

Amherst County:

Reassessment notices going out on February 19th. They will now have twice a year billing. Average increase in value this year because of reassessment was about 40%. **Vickie Hickman**, in COR's office just had a baby girl on 11/28 and will return to work on 3/1. CONGRATULATIONS!

Buckingham County:

Reassessment of the county by Tri-County Appraisal.

Fluvanna County:

Reassessment by Blue Ridge is completed. BOE to meet soon.

Acreage Breakdown - Agriculture and Forest Land

Submitted by **Julio G. Del Corco, III, Reporter**

This article is for localities that are undergoing a reassessment.

The enclosed questionnaire is to be sent out before the start of a reassessment. The purpose is to request information on agricultural and forest land so that the appraiser will have accurate information in which to appraise agricultural and forest land. If the cost to send out questionnaires is too expensive, the locality could send out the questionnaire to the largest landowners. These tracts, which will have the most accurate information, can be used as benchmarks for appraising other tracts.

Acreage Breakdown Agriculture and Forest Land		Return by: _____
Tax Map Number:	_____	
GPIN Number:	_____	
Owner Name:	_____	
Total Number of Acres:	_____	
<u>AGRICULTURE</u>		
<u>USE</u>		<u>NUMBER OF ACRES</u>
Tillable		_____
Pasture		_____
Swamp		_____
Land Under Power Lines		_____
Other		_____
TOTAL AGRICULTURAL ACREAGE		_____
<u>FOREST LAND</u>		
<u>USE</u>		<u>NUMBER OF ACRES</u>
Cutover or Reseeded Pine (0-5 yrs.)		_____
Young Pine (6-10 yrs.)		_____
Pine (11-15 yrs.)		_____
Pine (16-20 yrs.)		_____
Pulp Pine (21-25 yrs.)		_____
Saw Pine - Thinned (25-40 yrs.)		_____
Saw Pine - (25-40 yrs.)		_____
Saw Pine - Thinned (Over 40 yrs.)		_____
Saw Pine - (Over 40 yrs.)		_____
Cutover or Reseeded Hardwood (0-20 yrs.)		_____
Young Hardwood (21-30 yrs.)		_____
Pulp Hardwood (31-40 yrs.)		_____
Saw Hardwood (Over 40 yrs.)		_____
Swamp		_____
Other		_____
TOTAL FOREST ACREAGE		_____
TOTAL AGRICULTURAL & FOREST ACREAGE		_____
Please return the questionnaire to: _____		

VAAO AWARDS NOMINATIONS

The following guidelines are used for selecting recipients for specified VAAO awards and are provided to assist you in determining which individuals to nominate for these awards. VAAO awards will be presented at the Annual Conference.

VAAO MEMBERS ONLY

OUTSTANDING MEMBER: This award is to be presented to the VAAO member who has achieved the most outstanding professional success. It is the highest award offered by the VAAO and is reserved to recognize truly outstanding accomplishments. While the specific action may be purely local, it should be of statewide or national significance.

MOST VALUABLE MEMBER: This award is made to the member who has made the greatest contribution to the success of VAAO. This contribution can be the result of committee assignments or individual acts and may also be the result of an accumulation of activities, none of which would individually qualify for the award. This can be made in recognition of past service as well as current activities.

MEMBERSHIP AWARD: This award is presented to the VAAO member who recruits the most new members between the last annual meeting and 60 days prior to the annual meeting. The individual member should enroll at least eight new members before this award is granted.

VIRGINIA RESIDENT

PUBLICATION: This award may be presented to the Virginia resident who is the author of an article on some phase of assessment administration, which in the judgment of the Awards Committee, is the best publication in the VAAO News Bulletin (NETWORK) since the last annual meeting.

OPEN

DISTINGUISHED SERVICE: This award may be presented to the VAAO member or nonmember who makes a significant contribution to the improvement of the assessment administration in Virginia.

CERTIFICATES OF APPRECIATION: May be awarded to individuals who have contributed to VAAO but not to the degree required to qualify for one of the other awards. An example would be a committee who has duties that require exceptional contributions of time, etc.

MOST PARTICIPATING ASSOCIATE MEMBER OR ORGANIZATION: This award is presented to an associate member or nonmember and/or organization that have made the greatest contribution to the success of VAAO. These contributions can be the result of committee assignments or individual acts and may also be the result of an accumulation of activities, none of which would individually qualify for the award. This can be made in recognition of past services as well as current activities.

VAAO AWARDS NOMINATION FORM

I nominate _____ for the _____ Award

Comments: _____

Submitted by: _____ Date: _____

Nominate only one person per form. You may make additional copies of this form if you wish to nominate more than one person or if you wish to make nominations for more than one award.

VIRGINIA LAND USE SECTION

Created by the Virginia Association of Assessing Officers Land Use Committee to provide a communication link between localities to exchange data and share knowledge.

Land Use Committee Members:

Warren Arthur (Clarke), Judy Crook (Franklin), Julio DelCorso (Dept. of Taxation),
Susan Garling (Chesterfield), Melissa Sager (Shenandoah), Jean Shrewsbury (Augusta) and
Richard Wood (Albemarle) - Chairman

Comments From Richard Wood, Land Use Committee Chairman

Welcome to the first edition of the 2002 Land Use section of the Network. At this point, I don't have a lot to report. There is a Land Use Committee meeting tentatively set up for February to begin the planning for the Seminar in July. We would appreciate any comments or input from you, the membership, on topics for the session. As I have said in the past, it is easier to provide a meaningful program when we know what you want to hear about. If you have a specific problem that you feel is worth sharing with the group, please don't hesitate to let us know about it. The same is true about information for the Network. Your unique problem always makes interesting reading for the rest of us. We look forward to working with and for you during the upcoming months.

ATTORNEY GENERAL REVIEW

Valuing Perpetual Open Space Easements Dated 11/19/93

A 1993 amendment to 10.1-1011 requires land that is subject to a perpetual conservation or open-space easement meeting the requirements of 58.1-3230 to be assessed and taxed at its open-space use value in any jurisdiction that has adopted use value assessment and taxation for any class of land. May such land be assessed and taxed based on its value as open space without an application from its owner, and possibly without the owner's knowledge?



In a locality with a use value assessment program, property under such as easement must be assessed and taxed for its open-space value even without application by, or knowledge of, the landowner. Such a permanent easement affects the value of the ownership interest retained by the landowner, which must be taken into account by the local tax-assessing officer.

Does property that is subject to such easements have to be revalidated periodically to be assessed and taxed based on its open-space use value?

Revalidation of such permanent property's use is not necessary because, as discussed in the response to the first inquiry, the landowner no longer may change the property's use to another use that would be incompatible with the protection of open space. Also 10.1-1011 does not subject such perpetual conservation or open-space easements to the same application, revalidation, rollback and other administrative requirements that apply to other property under a local use value assessment program. Therefore, there is no need for revalidation or a revalidation fee, nor is there any basis for imposing roll-back taxes, on such property.

If a locality has adopted a use value assessment program that does not cover forest or open-space uses, would land under such easements that is used for forest or open-space purposes qualify for open-space use assessment?

Under amended 10.1-1011, property subject to an open-space easement in a locality with a use value program that does not cover forest and open-space uses still will qualify for open-space use value assessment, because the property's owners permanently have protected open space and thus permanently have given up part of their land's value.

Proposed Legislation

HB496 - Downzoning of property under use value assessment.
SB685 - Local real estate taxes; use value assessment.

Question and Answer

Old Question: Can agriculture acreage, less than 5 acres, qualify as a rider if a property owner has 20 plus acres under the Forest Classification?

Research of State Code and Standards for Classification, does not allow for this to occur. State Code section 58.1-3233 reveals to us that real estate devoted solely to agricultural or horticultural use consist of a minimum of five acres. No exception is made.

However, to clarify a possible misconception: The Standards for Classification make exception for forest acreage under 20 acres to qualify for Land Use if agricultural requirements are met. See AGRICULTURAL USE, 1. Previous and Current Use, and Exception: Trees or timber products of such quantity and so spaced as to constitute a forest area meeting standards prescribed by the State Forester, if less than twenty acres, and produced incidental to other farm operations.

Old Question: I have several individuals who own interest in a parcel. Upon obtaining their 2002 Land Use Revalidation Form, a signature of one of the heirs is missing. They are unable to locate the remaining heir to obtain his signature. Can I still allow this parcel to qualify for Land Use without proper signatures?

State Code 58.1-3234 states: An individual who is owner of an undivided interest in a parcel may apply on behalf of himself and the other owners of such parcel upon submitting an affidavit that such other owners are minors or cannot be located.

Send your submissions for the newsletter to:

Susan Garling

E-mail: garlings@co.chesterfield.va.us

Telephone: 804-751-4477

Fax: 804-717-6278

Address: 6701 Krause Road West
Chesterfield, VA 23832

Richard Wood

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