GAP ANALYSIS

St. Tammany Parish

May 2025

PROFESSIONAL
CONSULTING SERVICES
OF IAAO, LLC

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The IAAO is the primary publisher, educator, and leader of standards in the field of mass appraisal and assessment administration. As a standard-setting organization, the IAAO has published fifteen standards aimed at improving assessment practices. As an educator, the IAAO has established a curriculum of courses and workshops to supplement university-level and professional training for individuals interested in pursuing a career in property tax administration. We offer the only comprehensive program of mass appraisal courses in the world. In addition, we offer special seminars and an international conference on assessment administration annually.

The IAAO professional designation program recognizes that assessment administration is a specialty within public service and that assessment personnel are mobile. The association therefore offers professional designations to certify the competence of individuals and to attest to their competence when career paths cross state/provincial lines.

Several routes are available to designations, all of which involve some independent project, such as a demonstration appraisal or a mass appraisal case study, in addition to the successful completion of one of the prescribed curricula. The IAAO offers six designations: a generalist designation requiring demonstrated competence in all areas of assessment—Certified Assessment Evaluator (CAE)—and five specialist designations: Mass Appraisal Specialist (MAS), Residential Evaluation Specialist (RES), Cadastral Mapping Specialist (CMS), Personal Property Specialist (PPS), and Assessment Administration Specialist (AAS).

For more than 20 years, the association has established voluntary, objective standards for the improvement of assessment practices and conducted a research and technical services program to help jurisdictions attain these standards. Technical assistance services or consulting services are offered in a number of areas and by means of a variety of arrangements. Our most common engagement is to perform an evaluation of assessment practices within a specific jurisdiction.

IAAO is an independent association not affiliated with any vendor, company, or firm in the private sector or any other association not in the assessment field. IAAO does not undertake technical assistance projects for taxpayers or any other individual or group in the private sector.

IAAO has been a leader in mass appraisal education, technology, and standard-setting for mass appraisal and ad valorem systems in North America and many countries around the world. IAAO has the team, resources, and ability to provide services to meet Client needs.

Professional Consulting Services of IAAO, LLC (PCSIAAO) provides professional consulting worldwide based on a deep and objective understanding of the assessment challenges confronting property valuation and tax practitioners. PCSIAAO is a wholly owned subsidiary of the International Association of Assessing Officers (IAAO).

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BACKGROUND AND PROCESS

The St. Tammany Parish Assessor's Office contacted Professional Consulting Services of the International Association of Assessing Officers (PCSIAAO) February of 2024 requesting additional information on the Gap Analysis offered by PCSIAAO. On Tuesday, March 12th, 2024, an informational call was held to introduce PCSIAAO staff members and St. Tammany Parish Assessor's Office staff.

During the meeting, Chief Deputy Assessor Troy Dugas, CLDA explained that the St. Tammany Parish Assessor's Office under the direction of Assessor Louis Fitzmorris was in the middle of completing their 2024 valuation but would like to have a review of their processes done in 2025 in preparation for their next valuation in 2028. The St. Tammany Parish Assessor's staff outlined the improvements made to the Assessor's Office over the past 11 years since Assessor Fitzmorris was elected. They also emphasized Assessor Louis Fitzmorris' ongoing commitment to continually enhance operations and deliver more fair and equitable assessments in a more efficient manner.

PCSIAAO Assessment Advisor Justin Eimers, ASA, RMA explained the Gap Analysis process. Mr. Eimers explained that the Gap Analysis included a review of all the assessors' office operations, processes, and procedures in comparison to both industry best practices and IAAO's 15 Technical Standards. A Gap Analysis would include interviews with Assessors' Office staff, and a review of documents and procedures. Any "gaps" discovered during the analysis are highlighted and suggestions for improvement are provided. As the conversation progressed, it became clear that a Gap Analysis would prove to be beneficial for St. Tammany Parish Assessor's Office.

A project "kick-off" meeting was held with St. Tammany Parish's Chief Deputy Assessor Troy Dugas, CLDA, Director of Technology Michael McNeil, Human Resources Director Paul Tosso, PCSIAAO Assessment Advisor's Justin Eimers, AAS, RMA, Shannon Hiss, RES, RMA, and Ashley Lathrop, MBA Senior Director of Business Innovations for IAAO on February 3, 2025. After introductions the project's goals, timeline, and deliverables were finalized. On February 3, 2025, PCSIAAO sent a Practices and Procedures Questionnaire (including some 292 questions on all aspects of office operations) to the St. Tammany Assessor Office for completion.

The Practices and Procedures Questionnaire includes several requests for additional supporting documentation from the Assessor's Office to help PCSIAAO staff better understand office operations. As part of the review of Processes and Procedures it was vitally important to interview St. Tammany Parish Assessor's Office staff members to ask questions on topics including (but not limited to) their role(s) within the Assessor's Office operations, current office processes, and what improvements staff felt could be made to improve the office.

On February 4, 2025 Human Resources Director Paul Tosso emailed all staff to explain the review that PCSIAAO would be completing for the Parish Assessors Office. He encouraged staff to participate in the interview process and to reach out to Assessment Advisor Justin Eimers to schedule an interview. On February 6, 2025, Mr. Tosso provided a contact list for all St. Tammany Parish Assessor's Office Staff to PCSIAAO.

February 10, 2025, PCSIAAO Assessment Advisor Justin Eimers sent an invitation to all St. Tammany staff to schedule an interview time so that their thoughts and feelings could be accounted for in this study. Staff were assured that all conversations would be kept confidential. Staff interviews commenced February 11, 2025, and concluded March 12, 2025. PCSIAAO staff gained substantial knowledge surrounding current operations and suggestions for improvement throughout the interviews with staff. A total of 46 of 50 staff were interviewed.

Director of Technology Michael McNeil returned the Practices and Procedures Questionnaire and supporting documents on February 25, 2025.

PCSIAAO staff reviewed answers within the Practices and Procedures Questionnaire and reviewed notes from all the staff interviews and then sent additional follow up questions to Michael McNeil on March 28, 2025, answers to those questions were provided to PCSIAAO April 9, 2025. An additional follow-up questions meeting was held on April 22, 2025.

A draft report was provided to St. Tammany Parish on April 30, 2025. Draft report comments were sent back to PCSIAAO on May 9, 2025. The final report was delivered to the St. Tammany Parish Assessor's Office on May 27, 2025. An in-person presentation and question and answer session has been scheduled for June 10, 2025, at the St. Tammany Parish Assessors Office.

PCSIAAO would like to thank Assessor Fitzmorris and all St. Tammany Parish Staff for supporting the Gap Analysis process. The insights and information provided by staff are what made this project possible. Notes from interviews, responses to the questionnaire, information from additional supporting documents, and a review of St. Tammany Parish's website were all utilized in the creation of this final report.

IAAO's Technical Standards will be referenced throughout this report. By necessity, the Technical Standards are broad in nature and assume ideal circumstances under which they will be applied by practitioners who are fully trained and experienced in mass appraisal. Since there are only a few jurisdictions that meet most of these standards, it is not unusual to find gaps between the current operations within an office and IAAO's Technical Standards. The primary purpose of this report is to highlight any gaps and offer suggestions to bring current practices into better alignment with IAAO's Technical Standards and industry best practices. All recommendations are made with the understanding that their implementation is the responsibility of the client.

SUBJECT 1: Environment

Appraisers are administrators of the laws governing their jurisdiction. Therefore, those laws form the environment in which they work and largely direct their decision making. Other than fiscal resources, the legal framework has the most significant impact on the performance of assessment jurisdictions. Therefore, it is important to begin with an understanding of that environment relative to the subject jurisdiction.

Valuation Frequency

Louisiana State Law requires revaluation of property every four years. While a four-year valuation cycle is preferable to a longer valuation cycle of 5, 6, or even 10 years valuation equity certainly suffers as more time passes. Equity issues become more pronounced, the faster markets change and the more time that passes between valuations. The IAAO Standard on Property Tax Policy (2020) suggests annual valuations to reduce valuation inequities over time. PCSIAAO understands that moving from a four-year valuation cycle to an annual valuation cycle would likely require a change in legislation. For this reason, there is no recommendation to move from a four-year cycle to an annual valuation cycle.

Sales Ratio Requirements

The Louisiana Tax Commission (LTC) is tasked with the oversight responsibilities for all Parish Assessment Offices in the State. Part of the Louisiana Tax Commission's oversight of St. Tammany Parish includes its ratio study where the State evaluates the Parish Assessor's Office performance by checking the Parish's assessed values vs. Tax Commissions appraised value. This test is done to ensure valuation equity. Louisiana requires that values are between 90% and 110% of market value. This State law is in line with the IAAO sales ratio standard. The LTC can order a reappraisal of property if ratios are not met.

Sales Price Disclosure

Correctly identifying market transactions as such is vital to the valuation process and testing sales ratios. Louisiana State law does require sellers and buyers to disclose transaction prices. This is in line with IAAO standards and is a major step in ensuring that assessors have accurate information to base valuation models on.

Income and Expense Disclosure

The income approach to value requires the assessor to collect income and expense data from the subject market area in order to develop models for estimating market value. State law does assist in this process by requiring income and expense data to be filed with the assessor in the form of the LAT form including an audited financial statement.

Special Treatment of Different Classes of Property Owners

Louisiana State law requires different types of properties to be assessed at different assessment rates or ratios.

- Non-agricultural land for instance is assessed at 10% of the market value.
- Residential improvements are also assessed at 10% of the market value.
- Electric cooperative properties are assessed at 15% of the market value.
- Public service properties are assessed at 25% of market value.
- Other properties (including personal property) are assessed at 15%.
- Agricultural, horticultural, marsh, and timber lands are assessed at 10% of a use value rather than market value.

Homestead exemptions are a progressive tax tool used to fight regressivity in the property tax system. Regressivity in property taxes refers to a situation where lower-income property owners end up paying a higher percentage of their income in property taxes than higher-income owners. The State of Louisiana Constitution includes an exemption on the first $7,500 of assessed value equivalent to $75,000 in market value. This provision extends to lessees. Homestead exemptions and similar progressive tax policies are designed to protect those that are least able to pay property taxes.

Homestead exemptions are a tool that IAAO recommends to combat regressivity in the property tax system. (See *IAAO's Standard on Property Tax Policy, 7.2.1 Homestead Exemptions*) Some states have found it helpful to adjust homestead exemptions by referencing the consumer price index (C.P.I.) or other indexes that help keep the exemption amount at an inflation adjusted amount.

Special assessments apply to other groups of taxpayers including those that are over the age of 65, disabled veterans, first responders, public safety deaths on duty, and others that could have a limited ability to pay property taxes due to a service-related situation. These provisions are similar to homestead exemptions except they are limited to individuals that meet strict requirements.

Exemptions of public property and public lands are typical since these exemptions apply to properties that are not owned by any individual or business but are owned by the public. Similarly, properties such as those owned by religious organizations, places of burial, charitable organizations, healthcare, welfare, fraternal, and educational properties of a non-profit nature are also typically exempted due to their function of serving the public good.

Tax & exemption laws must be administered by someone. Even if the only requirement is an annual application, someone must receive and record those applications to track who has become eligible for the favorable tax treatment and who has lost that eligibility. There is always a cost involved in managing exemption-related paperwork and tracking through the need to have additional software and hire staff to cover those specific responsibilities.

Discovery, Listing and Other Office Functions

Other major functions of the Parish Assessors Office include data collecting information on new construction and other permits, reviews of sold properties, updating maps, development of valuation models, valuation of property within the jurisdiction, valuation appeals or reviews, as well as public outreach, answering questions from property owners who contact the office whether by phone, email, or personal visit. In summary, staff have quite a lot of work pulling them in many different directions at any given time.

Funding of the Assessment Process

St. Tammany Parish Assessor's Office receives funding from a 2.31 mill-levy assessed to taxable property of St. Tammany Parish. This funding helps to ensure the Assessor's Office is funded properly to administer the laws of the State of Louisiana and provide fair and equitable assessments to property owners of the Parish.

Workload

Table 1 best represents the current environment as presented to PCS via the questionnaire and interviews.

TABLE 1. Statistical Environment

Property Class	Property Count	Market Value	Sales Per Year	Reviews Per Year
Residential	126,331	$26,037,177,827	5,000	
Commercial	7,118	$5,043,594,662	150	
Agricultural Land	634	$6,982,103		
Vacant	33,748	$5,841,755,440		
BPP Utility	227	$22,269,996		
Fully Exempt	9,479	$1,276,132,529		
Oil and Gas	0			
Minerals	0			
Total	133,449	$31,517,413,783	5,150	2,000

Property Count	**133,449**
Total Land Area of the Jurisdiction (acres)	**540,992**
Total Taxable Real Estate Value of Jurisdiction	**$31,517,413,783**
Total Number of Personal Property Accounts	**227**
Annual Sales	**5,150**
Annual number of building permits issued	**1,800**
Total Annual Map Changes	**10,000**
Total Annual Reviews	**2,000**

SUBJECT 2: Management and Staffing

The St. Tammany Parish Assessor's office is led by Assessor Louis Fitzmorris who was first elected Assessor in 2013.

It could be said that Assessor Fitzmorris started his assessment training at LSU graduating with a bachelor's degree in Agricultural Economics. Assessor Fitzmorris went on to run his own successful business for 19 years and served as Mayor for the Town of Abita Springs for 10 years. These experiences as well as others prepared him for the role of St. Tammany Parish Assessor.

When Assessor Fitzmorris became the Parish Assessor he reviewed current staffing and brought on proven performers from different work-related backgrounds. This diversity of backgrounds helps to support the assessment office in all it does.

External Factors

As one of the fastest growing parishes in the State of Louisiana St. Tammany Parish Assessor's Office has the additional workload resulting from increases in property splits and combinations, new construction and property sales or transfers. These changes in the Parish require staff to update property records in the Assessor's Office's Geographic Information System (GIS) and Computer Assisted Mass Appraisal System (CAMA). Changes in property ownership come in the form of filed deeds while the majority of structure changes are identified by Parish and city permitting systems. Changes in improvement characteristics are gathered through field inspections or field reviews by Assessor's Office staff with specialized training in collecting property data for assessment purposes. Data collection includes pictures of the subject property, measurements of the subject property and collection of property specific data for entry in the Assessor's Office CAMA system. Other online data sources can support the office in data collection. The number of properties that need data collection is outside the control of the Assessor's Office. The Assessor's Office is only in control of how they collect this data.

The St. Tammany Assessor's Office has invested resources into automating many processes within the assessor's office. This automation has reduced the Parish's need to hire additional staff by leveraging technology, including a new CAMA system, document management system, and GIS systems. These investments are expected to continue delivering benefits into the future.

Internal Factors

Accounting for all taxable property is one of the most important roles of the assessor. Assessors spend a considerable amount of their resources to ensure all taxable properties are accounted for in an accurate way. Accounting for all taxable property is important for two reasons. One is that it is the law. Assessors are responsible for following the laws and regulations promulgated by the state. Reason two is fairness and equity. Assessors have a duty to treat all property owners equitably under the law. Ensuring that all property is properly listed and accounted for in a fair and equal way is paramount to what an assessor does.

When Assessor Fitzmorris took over as Parish Assessor much of the Parish had not been mapped in the Parish's GIS. Assessor Fitzmorris brought on the staff needed to account for every parcel in St. Tammany Parish. Discovery of taxable property is a major part of what an assessor does. Accounting for all taxable property is vital to ensuring fair and equitable property valuations and equitable distribution of the property tax load. As of the writing of this report an estimated 98% of the Parish is accounted for in the Assessor's Office GIS system and work continues on the remaining difficult to map parcels.

Accounting for parcels of land is only part of the discovery process. Another major component of discovery is maintaining an accurate inventory of building characteristics and having a repository for those characteristics that best meets the needs of the assessment staff for an efficient workflow.

The Parish's outdated CAMA system had been holding the Assessor's Office back. A big part of the assessor's function is data management. With data management comes workflows. Efficient and effective workflows save resources and increase valuation equity.

Along with the GIS and CAMA system comes documents. St. Tammany Parish has worked hard to digitalize and automate their document management process from adding processes to their webpage to collecting data digitally in the field, every process automation and step saved ensures higher quality, lower cost operations.

Management

The St. Tammany Assessor's Office management team is very active in the legislative process making sure to communicate suggestions for improvements and pros and cons of proposed legislation to legislators to ensure fair and equal treatment of taxpayers.

Twice per month leadership meetings enable administration to communicate expectations to department directors and allow directors to communicate department issues so solutions can be discussed.

Assessor Fitzmorris and the Assessor's Office team take time to speak at local community meetings to communicate the Assessor's Office mission and update the public on current happenings in the market and the Assessor's Office. Engaging in public outreach like this aligns with established best practices for running an effective assessment office. It fosters transparency, builds trust within the community, and promotes equitable and informed property assessments.

Staffing Levels

Proper staffing is paramount to a well-run assessment office and has the benefit of increased valuation equity, decreased staff turnover, increased organizational stability, decreased property valuation appeals, and increased public trust.

A summary follows of current staffing based on work categories provided by the Assessor's Office.

TABLE 2.1 Current Staffing Based on Work Category

Function	No. of Staff
Field Data Collection	3
Building Permit Review	4
Sales Verification	4
Income/Expense Analysis	2
Valuation Modeling	4
Statistical Analysis	2
Personal Property Valuation	3
Personal Property Auditing	3
Customer Service	9
Mapping/GIS	5.5
Transfers	2
Human Resources & Finance	3

A summary follows of directors, managers, and departments. It should be noted that the totals listed below are in full-time equivalent (FTE)'s.

Table 2.2 reflects the current department heads within the assessment office.

TABLE 2.2 Directors and Department Heads

Function	No. of Staff
Assessor	1
Chief Deputy Assessor	1
Assistant Chief Deputy Assessor	1
Business Relations Appraisal Director	1
Technology Director	1
Human Resources Director	1
Public Relations Director	1
Customer Service Supervisor	1

Table 2.3 reflects the current administration department staffing numbers within the assessment office.

TABLE 2.3 Administration Department

Function	No. of Staff
Assessor	1
Executive Assistant	1
Public Relations Director	1
Administrative Assistant Front Office	0.5
Finance Supervisor	1
Finance and HR Assistant	1
Total (FTE)	**5.5**

Table 2.4 reflects the current technology department staffing numbers within the assessment office.

TABLE 2.4 Technology Department

Function	No. of Staff
Technology Director	1
GIS Supervisor	1
IT Analyst	1
GIS Analyst	4.5
Data Coordinator	0.5
Total (FTE)	**8**

Table 2.5 reflects the current appraisal department staffing numbers within the assessment office.

Table 2.5 Appraisal Department

Function	No. of Staff
Business Relations Appraisal Director	1
Appraisal Supervisor II	1
Appraisal Supervisor I	1
Staff Appraiser	3
Appraisal Assistant	6
Field Tech II	2
Field Tech I	1
Appraisal Administrative Assistant	1
Total (FTE)	**16**

The Parish now has three commercial real estate appraisers. This should be the minimum number of commercial real estate appraisers considering the number of commercial properties to maintain, value and defend.

Table 2.6 reflects the current personal property and transfers department staffing numbers within the assessment office.

Table 2.6 Personal Property and Transfers Department

Function	No. of Staff
Assistant Chief Deputy Assessor	1
Personal Property Supervisor	1
Personal Property Representative	2
Lead Technical Coordinator	1
GIS Researcher	0.5
Transfer Technician	0.5
Total (FTE)	**6**

Table 2.7 reflects the current customer service department staffing numbers within the assessment office.

Table 2.7 Customer Service Department

Function	No. of Staff
Customer Service Supervisor	1
Customer Service Representative	6.5
Data Analyst	0.5
Customer Service Rep / Non-Profits	0.5
Total (FTE)	**8.5**

Positions not in a specific department, but under the direction of the Chief Deputy Assessor include the Human Resources Director and Special Assistant. The Special Assistant position is a part-time position.

Total staffing as of this study included 50 individuals. 43 of these individuals work full-time and 7 work part-time. Full-time equivalent staffing comes to 46.5 positions.

Based on conversations with staff, current staffing is adequate to fulfill the mission of the office.

Planning for the Future

The St. Tammany Assessor's Office is constantly looking for better ways of accomplishing their mission. Improvements to all areas of the office continue to be made on a regular basis with the goal of increased valuation quality and efficiency.

As changes are made workflows change and job descriptions morph to reflect current needs. In a constantly improving assessment office work procedures can change on a daily basis. In some cases, interim workflows are created as new processes are brought online making documentation of workflows and up to date job descriptions a challenge. Having staff that are well educated and willing to take on new roles is important. The current staff is well suited to this task.

Data is a necessary for any assessor's office and as such St. Tammany Parish Assessor's Office has spent a considerable amount of their resources adding properties to their GIS system. Having an accurate inventory of land areas and delineations is the first step in the valuation of land and the valuation of land is the first step in the appraisal process. As of writing this report, this project is approximately 98% complete. As adding parcels to the GIS system is caught-up resources can be reallocated to other pressing issues.

One goal of the office is to add a property reinspection cycle to their annual processes. This quality control process of reviewing properties to ensure property characteristics are correct is in line with *IAAO's Standard on Mass Appraisal 3.3.4 Maintaining Property Characteristics Data*. This shift could include adding a 4-year reinspection cycle. This process is an important step to ensuring data quality and valuation equity.

Another process to improve data would be to collect more data characteristics such as those characteristics required for an accurate cost approach to value. These additional property characteristics are not just useful in the development of a cost approach to value, but also in the development of a regression-based sales comparison approach values. These additional property characteristics could be collected as part of the reinspection process.

The Parish's goal of creating more fair and equitable values requires the nature of their work to change over time.

Each position and job description must be clearly defined in order to effectively measure performance and relay the expectations of management to staff. It is equally important to work with staff when finalizing job descriptions to ensure all tasks are included and correctly described within the descriptions. These descriptions should also be reviewed with staff as part of the staff's annual review process each year to ensure they continue to accurately reflect the duties and responsibilities of each position as time passes. Annual staff reviews are a great opportunity to discuss educational goals with staff. Staff educational goals should be listed on their review and managers should help facilitate staff education.

Planning for the future could be done using a tool like seen in *Table 2.8*, taken from IAAO's textbook *Assessment Administration*. The table utilizes an annual valuation year that begins in January. Below is only an example.

Table 2.8 assumes an annual revaluation cycle, per IAAO best practices. The months of the tax year are displayed at the top, in this case showing a full calendar year. The far-left columns display several appraisal phases, and each cell represents the percentage completed each month. Some phases will be conducted all year and are shown as completing one-twelfth each month, while others will be started and completed in a relatively short period of time, such as neighborhood analysis and land valuation.

This chart, or one like it, has been successfully used in assessment jurisdictions nationwide to set assessment production goals and allocate staff to meet deadlines. Phases that will be carried out throughout the valuation cycle must have staff constantly assigned to them, while others that have shorter duration may share staff with other phases of work. For example, the staff involved in neighborhood analysis may also perform other analytical functions, including completing market studies or income analysis. Staff who perform some of the field data collection may also be involved in calibrating market models.

TABLE 2.8 Calculation of Necessary Staff to Meet ASSESSMENT OFFICE Needs

Appraisal Phase	J	F	M	A	M	J	J	A	S	O	N	D
Map Maintenance	8	16	24	30	38	46	54	62	70	80	90	100
Property Record Maintenance	8	16	24	30	38	46	54	62	70	80	90	100
Clerical/Data Entry	8	16	24	30	38	46	54	62	70	80	90	100
Sales Verification	5	10	15	20	30	40	50	60	70	80	90	100
Index Study						20	50	80	100			
Depreciation Study						20	50	80	100			
New Construction					10	20	40	50	70	80	90	100
Neighborhood Analysis				25	50	100						
Land Valuation							40	80	100			
Data Collection Reinspection				5	15	40	55	80	100			
Quality Control					10	35	50	75	100			
Grade Review					25	50	75	100				
CDU & P/F/E Factor Review				10	25	40	55	80	100			
Market Modeling							20	50	100			
Com/Ind/Apt Income Analysis								50	100			
Agricultural Use Verification						20	40	60	80	100		
Final Review										25	75	100
Informal Conferences				20	70	100						

The formula below is an example that illustrates how to calculate the number of staff needed to execute a given phase of work. Along with the fact that responsibilities for an individual staff member may overlap two or more phases, there are several caveats listed below the formula.

33,250 parcels ÷ 94 workdays = 353 parcels / day ÷ 30 parcels / day / person = 11.77 appraisers

Caveats to the above:

- Assuming the office completes data collection reinspections of all real property within the jurisdiction on a 4-year cycle. Staff would need to inspect 25% of the jurisdiction each year, or approximately 33,250 real property parcels annually.
- In this example, an estimate of 30 parcel inspections per day was utilized. The number of parcels inspected would depend on the whether or not digital reinspection techniques are used such as what is described in *IAAO's Standard on Mass Appraisal, 3.3.5: Alternatives to Periodic On-site Inspections*. It would be a management decision to set production expectations for field staff.

- The preceding chart & above field inspection formula assumes a 6-month, or 94-workday window. Considerations when calculating workdays should include holidays, vacation days, sick days, parental leave, workers comp days, FMLA, training, education, weather, turnover, etc. If an estimate of days missed is not included, work will not be completed on time. Gross days in a workweek over six months would be roughly 130 days. Now for example you might subtract 7 holidays, 5 vacation days, 5 sick days, 1 FMLA day, 3 training days, 5 education days, 5 weather days and 5 turnover days. The remaining workdays after consideration for the above would be 94.
- The above formula could also be utilized to estimate how many inspections the current staff would need to complete each day to be able to complete the 25% reinspection process within the stated window of time for fieldwork. (In that scenario a current field staff of 12 would have to complete 30 real property parcel inspections per workday.)

The above calculation example would indicate that the assessor's office would need 12 trained field staff to complete the 4-year cycle of reinspection. A similar calculation could be done for the dozens of other processes completed by St. Tammany Parish each year. It's essential to remember that, as work phases shift throughout the year, some or all of these staff members may be reassigned to different tasks and roles to meet changing demands effectively.

Other considerations include routine quality control checks by managers and lead appraisers on fieldwork, transfer reviews, permits and data entry work done by staff. Quality checks must be done to ensure the work file of the office is accurate, complete, and the values produced by the assessment office are both equitable and reliable. Quality control is also a way for management to determine future training needs. In some cases, managers may pull staff aside for retraining when those quality control checks indicate a need for specific and focused 1-1 training. Similar calculations to the prior production example can be done to estimate the amount of time needed for quality control processes.

In addition to clearly defined job descriptions and production expectations for each role within the office, routine and regular check-ins between management and staff members are necessary to maintain a productive and professional work environment.

Beyond regular meetings to keep communication open, the management team needs to continue to conduct routine performance evaluations for every staff member within the office. Additionally, human resources should conduct an annual assessment of staff compensation levels, this should be completed as part of the budgeting processes. Ensuring that staff compensation keeps pace with the marketplace will help to lessen the rate of employee turnover and help to retain the experienced and knowledgeable staff currently employed.

The final communication between office leadership and staff members is to conduct exit interviews when an employee departs. Ensuring the leadership team understands the decisions being made by exiting staff may help to correct course in areas where support or other concerns are impacting staff. Exit interviews could fall to the Human Resources Director.

Communication

Perfect communication within an organization is something that is never achieved but it is a goal worth pursuing. Some organizations under communicate and other organizations over communicate, so striking a good balance can be a challenge.

Some staff indicated that communication between departments or getting all the information from management meetings can be challenging. Some staff indicated that they weren't always aware of what other departments are doing or the changes they have made. Some of these changes impact their position and potential workflows.

Several suggestions have been made to improve internal communication and coordination:

- **Regular Internal Updates:** Staff proposed sending a short weekly or bimonthly email summarizing key updates and changes from each department.
- **Department Presentations:** Another idea was for each department to designate a representative to spend one hour annually presenting their department's functions and recent changes to the rest of the office.
- **Internal Q&A Resource:** Staff also suggested developing an internal Q&A resource that compiles frequently asked and answered questions, which could save time and contribute to more consistent, equitable valuations.
- **Cross-Department Workflow Meetings:** For workflows that span multiple departments, staff recommended forming small groups—such as a "transfers group"—to discuss roles, improve understanding, and identify opportunities for refinement. These groups could also focus on documenting workflows and updating procedures.

Some work processes are documented, and some are on the future projects list. Further documentation of workflows can help staff when questions arise and can assist in training and retraining staff.

Suggestions like the ones listed above or others could help to facilitate increased communication.

Education

Educated staff contribute to more fair and equitable values. Educated staff also contribute to more efficient workflows. Assessor Fitzmorris understands the value of an educated workforce.

One indication of an assessor's education level is the designations they hold. The St. Tammany Assessors Office has 28 staff with the Certified Louisiana Deputy Assessor (CLDA) designations.

To achieve the CLDA designation an individual must complete:

- *IAAO Course 101: Fundamentals of Real Property Appraisal*
- *IAAO Course 102: Income Approach to Valuation*
- *IAAO Course 112: Income Approach to Valuation II*
- *IAAO Course 151: or an approved 15-hour USPAP course*
- An additional 6 hours of course work in appraising personal property
- Have at least three years of experience in appraising.

As staff take IAAO courses they should be encouraged to earn an IAAO designation. IAAO has 6 designations:

- Certified Assessment Evaluator (CAE)
- Residential Evaluation Specialist (RES)
- Mass Appraisal Specialist (MAS)
- Assessment Administration Specialist (AAS)
- Personal Property Specialist (CMA)
- Assessment Cadastral Mapping Specialist (CMS)

The requirements for the CLDA set a great base for students to get an IAAO designation. St. Tammany Parish Assessors Office currently has one staff member with an IAAO designation.

IAAO's recommendations for courses by position type can be found in the appendix following this report. These recommendations come from *IAAO's Standard on Professional Development - 2022.*

Other than formal training, an assessor's office should have written procedures that can be updated as policies change and can be easily referenced by any staff member should they need additional guidance. These written procedures should be used to train new staff and reviewed with existing staff on an annual basis. St. Tammany Parish Assessors Office has some written procedures and others that need to be developed or updated. The Assessor's Office has a goal of developing more written processes moving forward.

Other Training Needs:

- Human resources training can be useful for management staff.
- Information technology staff need training to keep up with trends in IT, software and data security.
- GIS staff need GIS training and some staff had requested additional training for programming, artificial intelligence, Power BI, Tableau and R.
- Finance staff need continuing education to keep pace with current accounting software and reporting requirements.
- All staff could use training on more effective communication and leadership
- One staff suggestion was to have training in conducting more effective meetings.
- Any staff using the CAMA system should receive CAMA system training on an annual basis. Some of this training could be done by managers or staff based on workflows.
- Some appraisal staff could use Apex sketching software training.
- All staff receive routine training on Louisiana property tax law (and updates) and anti-harassment training.
- One effective strategy used in some jurisdictions is to retrain all staff annually on the coming assessment phase that is applicable to their positions. Valuation training, review training, etc. For phases that run year around it can be good to get all staff applicable to that phase in the same room once per year to discuss workflows and procedures. This can have the effect of putting everyone on the same page as some can revert to past ways of completing tasks.
- Many staff indicated a need for increased cross-training in what other departments do.

While education and training goals can be a balance between time and resources, investments in educating staff pay dividends in the form of a more stable and efficient organization that produces more equitable values and provide a level of service the public expects.

SUBJECT 3: Information Technology

According to Merriam-Webster, information technology is "*the technology involving the development, maintenance, and use of computer systems, software, and networks for the processing and distribution of data.*" The expanded use of technology by assessment offices has increased the importance of a reliable and user-friendly information technology program.

Of significant importance is the need for computers and support hardware to be updated regularly to ensure assessment office staff can fully utilize the processing capabilities of the Computer Assisted Mass Appraisal (CAMA) system and Geographic Information System (GIS). Additionally, routine and regular replacement and updates to technology hardware ensures there is no data loss due to hardware "dying" while in use and further prevents disruption to services provided to members of the community served by the assessment office. Other hardware items, like printers, scanners, tablets, and phone systems must also be maintained and replaced as the useful life of those items reaches an end.

Regarding data processing support and computer hardware, the IAAO Standard on Mass Appraisal states, in part:

> *"CAMAs require considerable data processing support. The hardware should be powerful enough to support applications of the cost, sales comparison, and income approaches, as well as data maintenance and other routine operations. Data downloading, mass calculations, GIS applications, and web support tend to be the most computer-intensive operations. Processing speed and efficiency requirements should be established before hardware acquisition."*

The St. Tammany Parish Assessor's Office has upgraded every major IT system since Assessor Fitzmorris has taken office. Using technology to further leverage labor increases quality, efficiency and accuracy of assessments.

Computer Assisted Mass Appraisal (CAMA)

A CAMA system manages the data necessary for assessments and calculates assessed values. The efficiency of an assessor's office is dictated by the workflows that are created. A good CAMA system is integral to an efficient workflow. The more processes can be automated, or quality control checked through a CAMA system the more efficient, accurate and equitable those values can be.

Modern CAMA systems continue to push the boundaries of what's possible in the form of added capabilities. CAMA software should work collaboratively with various general-purpose software programs, typically including word processing, spreadsheets, and GIS or mapping programs. All these programs and applications must be able to share data and work together cohesively to reduce redundancies and potential errors in work and help to increase overall productivity. Utilizing a more user-friendly CAMA system should help to make the daily workflow processes less labor intensive.

St. Tammany Parish Assessor's Office implemented a new CAMA system from Farragut named Arist for the 2022 roll. This next generation CAMA system adds workflow and quality control features not seen in St. Tammany's past system. The ability of the software to handle data entry in multiple years removed a major bottle neck that had limited the Assessment Office's legacy CAMA system. Arist can also integrate with GIS software to increase data analysis capabilities. Integrated workflows help to decrease errors, improving data quality and valuation equity.

Some improvements to the CAMA system that are currently being developed include:

- A better query tool
- Adding regression analysis capability
- Ability to input and apply income approach models
- In some instances, the software requires the user to hit save twice, this has been brought to the attention of the vendor.
- Increased edit audit tracking capabilities so that changes can be better monitored
- Continue to develop integrated dashboards.

The St. Tammany Parish Assessor's Office continues to work with Farragut to fully utilize Arist's capabilities. It should be noted that all CAMA systems require continuous improvement and updating to keep up with the constantly changing assessment industry.

Document Management System

St. Tammany Assessor's Office has invested in the PaperVision document management system to eliminate the need for printing, data entry, scanning and paper file storage. A document management system allows paper files to be digital, eliminating the need for paper files and making file retrieval take seconds rather than minutes. Files can also be searched rather than requiring a set of human eyes to manually search through documents. Another benefit includes the fact that back-ups can be saved off-site, ensuring that information isn't lost in the event of a disaster.

SUBJECT 4: Castral Mapping

The introduction of the IAAO *Standard on Digital Castral Maps* states:

> *"Castral maps for the entire jurisdiction, regardless of taxable status or ownership, are essential to the performance of assessment functions. Digital castral maps enable the assessor to more efficiently access parcel location and information, reveal geographic relationships that affect property value, and provide a platform for the visualization of data layers and analytical results. Digital castral maps also aid the assessor in meeting the digital demands of other local government users, such as planning and public works departments, and private business users."*

IAAO *Standard on Property Tax Policy* states:

> *"The assessor should maintain or have access to high-quality land records and an accurate inventory of property. Collection and maintenance of land data are expensive but are critical parts of any property tax valuation system. By establishing multipurpose assessment castral systems, many different public officials or agencies can make use of the information that may help to defray the costs of data collection and management. Multipurpose systems can be computerized and can become extremely interactive, providing information on the relationship between location and other property characteristics or influences on value."*

The current castral mapping program maintained by the Assessor's Office performs well as evaluated by IAAO's technical standards. Historic map boundaries are saved as of assessment dates, mapping is updated within three weeks of a recorded change, parcels are assigned a unique identifier, building footprints are provided with new images from Eagleview, maps are spatially referenced and meet IAAO accuracy standards. Market areas and neighborhoods can be updated using GIS.

St. Tammany Parish Assessor's Office has been working on the monumental task of identifying and recording over 98% of their parcels in their GIS. Twelve years ago, only 200 parcels were mapped in the GIS and now over 133,300 parcels have been recorded and identified. This has been a long process that will set the base for all future valuations. Having accurate land records is paramount to having accurate values.

St. Tammany Parish currently contracts to have new aerial imagery flown every other year. These images aid in the discovery process. These aerial images help save thousands of trips to the field every year and allow for the automation of future projects.

The GIS department is constantly innovating to add process capabilities to all assessment processes.

SUBJECT 5: Property Use Codes, Market Areas, and Neighborhoods

The three main functions of an appraiser are to discover, list, and value real property. Property use codes and delineations of market areas and neighborhoods are critical parts of the listing function and necessary for valuation.

Utilizing both the assessor office's mapping and CAMA systems, staff should be able to define the market areas and neighborhoods throughout the jurisdiction. Along with appraiser judgment and knowledge of the communities within the jurisdiction mapping of validated sales can help staff to identify patterns and trends that may help to lead to a better understanding and refinement of the market areas identified for valuation purposes.

Each community within the assessment jurisdiction is unique in its own way, meaning each neighborhood and market area will have different trends impacting them. It is important to model neighborhoods to reflect the actions of the buyers and sellers within the marketplace.

Interviews with staff indicate future plans to rework market and neighborhoods to better reflect the market. Staff have suggested using GIS autocorrelation to redefine market areas. Techniques such as these could be used to better define market areas and neighborhoods. An important part of this process is to ensure that market areas are drawn large enough to include an adequate sales sample size for comparison or that market areas are grouped with other similar market areas making reliable data analysis possible.

It's worth noting, as the community continues to grow, neighborhood and market area boundaries will need to be periodically reviewed to ensure they are still accurately reflecting the actions of buyers and sellers in the marketplace of the parish.

SUBJECT 6: Property Data Collection and Maintenance

So much of what St. Tammany Parish Assessor's Office has been working towards is having more accurate, complete and up-to-date data characteristics. The importance of accurate data cannot be overstated and is key to fair and equitable assessments.

The *Standard on Mass Appraisal of Real Property* states in part:

> *"Uniform and accurate valuation of property requires correct, complete, and up-to-date property data. Assessing offices must establish effective procedures for collecting and maintaining property data (i.e., property ownership, location, size, use, physical characteristics, sales price, rents, costs, and operating expenses). Such data are also used for performance audits, defense of appeals, public relations, and management information."*

In the valuation of real estate, valuation of land is the first step. As was stated earlier in this report, the Assessor's Office has been working to add all parcel records to their GIS. Most Assessor's Offices only have to maintain their GIS, but St. Tammany has had the additional duties of adding existing parcels to the GIS.

The parish continues to add more property data characteristics each week. Adding characteristics such as bedroom count, bathroom count, roof type, foundation type, siding type, physical condition, functional condition, etc. can be helpful in the development of the cost approach to value and utilizing regression analysis in the development of a sales comparison approach value.

As most property data has effectively been relisted a periodic reinspection process has not yet occurred. Current quality control processes include correction of data as issues are found. From conversations with assessment staff future plans include starting an annual reinspection cycle to further collect property data and quality control check data already on file. IAAO recommends reinspection of property every 4 to 6 years at a minimum to ensure data quality. A 4-year reinspection cycle could make sense for St. Tammany Parish since the state requires a 4-year valuation cycle.

As stated in IAAO's *Standard on Mass Appraisal of Real Property*, Section 3.3.4:

> *"Periodic field inspections can help ensure that property characteristics data are complete and accurate. Assuming that most new construction activity is identified through building permits or other ongoing procedures, a physical review including an on-site verification of property characteristics should be conducted at least every 4 to 6 years. Reinspections should include partial remeasurement of the two most complex sides of improvements and a walk around the improvement to identify additions and deletions. Photographs taken at previous physical inspections can help identify changes."*

With advancements in GIS, image quality and the availability of not just ortho, but also oblique images digital reinspection techniques have gained immense traction over the last two decades. A possible plan for future reinspections could include digital reinspections rather than physical reinspections except when required.

IAAO's *Standard on Mass Appraisal of Real Property Section* 3.3.5 states in part:

> *"Alternative to Periodic On-site Inspections Provided that initial physical inspections are timely completed and that an effective system of building permits or other methods of routinely identifying physical changes is in place, jurisdictions may employ a set of digital imaging technology tools to supplement field reinspections with a computer-assisted office review. These imaging tools should include the following:*
>
> - *Current high-resolution street-view images (at a sub-inch pixel resolution that enables quality grade and physical condition to be verified)*
> - *Orthophoto images (minimum 6-inch pixel resolution in urban/suburban and 12-inch resolution in rural areas, updated every 2 years in rapid-growth areas or 6–10 years in slow-growth areas)*
> - *Low-level oblique images capable of being used for measurement verification (four cardinal directions, minimum 6-inch pixel resolution in urban/suburban and 12-inch pixel resolution in rural areas, updated every 2 years in rapid growth areas or 6–10 years in slow-growth areas).*
>
> *These tool sets may incorporate change detection techniques that compare building dimension data (footprints) in the CAMA system to georeferenced imagery or remote sensing data from sources (such as LiDAR [light detection and ranging]) and identify potential CAMA sketch discrepancies for further investigation. Assessment jurisdictions and oversight agencies must ensure that images meet expected quality standards. Standards required for vendor-supplied images should be spelled out in the Request for Proposal (RFP) and contract for services, and images should be checked for compliance with specified requirements. For general guidance on preparing RFPs and contracting for vendor-supplied services, see the Standard on Contracting for Assessment Services [IAAO 2008]. In addition, appraisers should visit assigned areas on an annual basis to observe changes in neighborhood condition, trends, and property characteristics. An on-site physical review is recommended when significant construction changes are detected, a property is sold, or an area is affected by catastrophic damage. Building permits should be regularly monitored and properties that have significant change should be inspected when work is complete."*

Ensuring data is properly collected is part of the quality control process. A percentage of all data collection should be quality control checked to ensure consistency, fairness and equity. These checks are also an opportunity for retraining when issues are found.

Staff properly trained to complete data collection and verification are the primary key to success for any assessor's office. A well-trained staff can ensure data accuracy and quality remains high, producing reliable market values. Failing to account for property characteristics on all parcels can lead to a lack of uniformity.

Maintaining timely, correct, and complete records for all taxable property within the jurisdiction is the very foundational responsibility of any assessor's office.

IAAO's *Standard on Tax Policy* States:

> *"State/provincial and local assessing officers are stewards of public data. These data include property characteristics, assessments, sales data, and tax parcel maps, among other key data used by government, citizens, taxpayers, and private industry. Public access to these data is vital to open and transparent operations. Modern access to these public records should meet the public's expectations and conform to laws and regulations governing privacy, open records, and public disclosure. Delivering these data in an accessible way increases the public trust and confidence in valuation and property tax operations.*
>
> *The data delivered to the public should be current, correct, and usable. Today, assessment jurisdictions are expected to have updated sales and ownership data in just a few days. With the majority of these data having a spatial component, data should be presented in maps and easy-to-use apps."*

St. Tammany Parish's website provides a host of property information and data available to the public 24/7. This transparency is an integral part of fair and equitable values.

SUBJECTS 7 & 8: Sales Data and Ratio Studies

Accurately recorded sales data are the underpinning to producing statistically reliable and significant valuation results.

Sales Data

Per IAAO's *Standard on Verification and Adjustment of Sales*:

> *"There must be a system of record that tracks and digitally stores information collected from real estate transfer documents (such as deeds, sales contracts, and transfer affidavits), sales questionnaires, follow-up interviews, and third-party sources. Data collection must be administered in a consistent and timely manner, and data collected must be as comprehensive and accurate as possible to ensure that there is sufficient information to verify that the sale price reflects the market value of the real property being transferred and to determine adjustments to the price if necessary. Sales verification should be performed in a timely, uniform, and transparent manner with guidance on when a sale should be considered valid and what methodologies are acceptable for the validation process."*

The importance of collecting and maintaining quality sales data cannot be over-emphasized. It is vitally important to ensure the terms of sales along with the physical characteristics of the sales are recorded correctly.

In the absence of recorded sale price and sale terms staff can review third-party sales database websites to try to confirm the terms of the transaction as well as interior descriptions of properties. However, as these websites are a tool to assist real estate agents, these descriptions should not be the sole source of information utilized by appraisers. Nothing can replace the capabilities of a properly trained data collector reviewing the property characteristics onsite and confirming the terms of a sales transaction by interviewing the participating parties.

When staff can confirm the validity of the sale terms and property condition information, it is important to enter all information into the Arist CAMA software as is being done to allow for completion of future internal ratio studies and for use in valuation models.

IAAO Standards address the sufficiency of sales data for modeling purposes as follows:

> 1. *"Data should be sufficient to produce reasonable valuation models with regard to the property characteristics utilized. In general, the number of sales should be at least five times (fifteen times is desirable) the number of independent variables.*
>
> 2. *Sales used should be valid transactions that reflect market value. Data should be consistent across the population of properties to be valued using the model. Examples include quality, physical condition, and effective age.*

> 3. *Property characteristic data should be accurate for use in the model and its application to the population of properties.*
>
> 4. *Sales data and characteristics should be representative of the underlying population or the subset of properties that may be subject to valuation using automated valuation models."*

Sales Ratio

A sales ratio is calculated by dividing the market value by the sales price. A ratio below 1.00 indicates that properties are undervalued and a ratio above 1.00 indicates that property are overvalued. A median sales ratio of 1.00 indicates a perfect sales ratio. This type of analysis is looking at the level of appraisal. IAAO's *Standard on Ratio Studies* 2013 recommends a median sales ratio between 0.90 or 90% and 1.10 or 110% of the sales price.

With regards to ratio studies the *Standard on Mass Appraisal of Real Property* states in part:

> *"Regardless of how values were generated, sales ratio studies provide objective, bottom-line indicators of assessment performance. The IAAO literature contains extensive discussions of this important topic, and the Standard on Ratio Studies (2013) provides guidance for conducting a proper study. It also presents standards for key ratio statistics relating to the two primary aspects of assessment performance: level and uniformity."*

Horizontal equity is when properties of similar value are appraised similarly. Horizonal equity is easy to see.

Appraisal uniformity can be measured using the Coefficient of Dispersion (COD). IAAO's *Standard on Ratio Studies* 2013 has the following recommended COD's.

TABLE 8: IAAO RECOMMENDED COD RANGES

Type of Property - General	Type of Property - Specific	COD Range
Single Family Residential	Newer or more homogenous	5.0 to 10.0
Single Family Residential	Older or more heterogeneous	5.0 to 15.0
Other Residential	Rural, Seasonal, Recreational, Manufactured Housing, 2-4 Units	5.0 to 20.0
Income Producing	Large Area	5.0 to 15.0
Income Producing	Small Area	5.0 to 20.0
Vacant Land		5.0 to 25.0

Vertical equity is when properties of differing values, potentially vastly different values are valued at a similar ratio of the sales price. One form of vertical inequity is called regressivity. Regressivity is a form of vertical inequity where low-value properties are appraised at greater percentages of market value than high-value properties. Another form of vertical inequity is called progressivity. Progressivity is when low-value properties are appraised at smaller percentages of market value than high-value properties. Good indicators of vertical equity include the Price Related Differential (PRD) and Price Related Bias (PRB). The PRD is the most typical measurement of vertical equity used by state oversight agencies. A PRD of 1.00 indicates good vertical equity. A PRD above 1.00 indicates regressivity and a PRD below 1.00 indicates progressivity. IAAO's *Standard on Ratio Studies* 2013, 9.2.7 Vertical Equity states, *"PRDs should be between 0.98 and 1.03."*

Internal ratio studies should continue to be run as a check on valuation equity and accuracy. The LTC completes sales ratio studies to test the accuracy of parish assessments. A sales ratio study is beyond the scope of this review.

SUBJECT 9: Valuation

Every topic addressed in this report—and every function carried out by the Assessor's Office—ultimately connects back to one core responsibility: establishing accurate property valuation.

IAAO's *Standard on Mass Appraisal* 2019, 4. Valuation states:

> *"Mass appraisal analysis begins with assigning properties to use classes or strata based on highest and best use, which normally equates to current use. Some statutes require that property be valued for ad valorem tax purposes at current use regardless of highest and best use. Zoning and other land use controls normally dictate highest and best use of vacant land. In the absence of such restrictions, the assessor must determine the highest and best use of the land by analyzing the four components—legally permissible, physically possible, appropriately supported, and financially feasible—thereby resulting in the highest value. Special attention may be required for properties in transition, interim or nonconforming uses, multiple uses, and excess land. An evaluation is done by reviewing the assessment office governance, taxpayer assistance, operating procedures, and appraisal standards. An assessment office that meets all the standards has a higher likelihood of producing quality, equitable, legal values."*

Valuation of real property can be broken into two major portions. The valuation of land and the valuation of improvements.

Land Valuation

Regarding land valuation, the *Standard on Mass Appraisal of Real Property* states in part (emphasis added):

> *"The most difficult aspects of the cost approach are estimates of land value and accrued depreciation. These estimates must be based on non-cost data (primarily sales) and can involve considerable subjectivity. Land values used in the cost approach must be current and consistent."*

Land can be valued by many methods, but the preferred method is the sales comparison approach. The St. Tammany Parish Assessor's Office expends considerable effort to confirm both sale price and sale validity when vacant land sales occur within the jurisdiction. The CAMA system utilized by the assessment office gives appraisal staff the ability to utilize the computer assisted land pricing tables within the software package to help develop value estimates for all land within the jurisdiction. These models help to facilitate fair and equitable property values.

The St. Tammany Parish Assessor's Office uses GIS software in their analysis and quality control of land values. As time moves on land market areas change and neighborhood and market area delineations have to be updated. GIS tools and software can be helpful in these updates. Staff have indicated the need to update neighborhood and market area delineations in the future and it's part of their plan moving forward.

The LTC's 2022 sales ratio study for St. Tammany Parish's land values indicate that land values are reflective of the market with the median assessed value, COD and PRD all meeting IAAO's sales ratio standards.

Improvement Valuation

There are three generally accepted approaches to value, the cost approach, sales approach and income approach.

Here are how the three approaches to value are described in IAAO's *Standard on Mass Appraisal of Real Property* - 2017:

> ***"The Cost Approach***
>
> *The cost approach is applicable to virtually all improved parcels and, if used properly, can produce accurate valuations. The cost approach is more reliable for newer structures of standard materials, design, and workmanship. It produces an estimate of the value of the fee simple interest in a property.*
>
> *Reliable cost data are imperative in any successful application of the cost approach. The data must be complete, typical, and current. Current construction costs should be based on the cost of replacing a structure with one of equal utility, using current materials, design, and building standards. In addition to specific property types, cost models should include the cost of individual construction components and building items in order to adjust for features that differ from base specifications. These costs should be incorporated into a construction cost manual and related computer software. The software can perform the valuation function, and the manual, in addition to providing documentation, can be used when nonautomated calculations are required.*
>
> *Construction cost schedules can be developed in-house, based on a systematic study of local construction costs, obtained from firms specializing in such information, or custom-generated by a contractor. Cost schedules should be verified for accuracy by applying them to recently constructed improvements of known cost. Construction costs also should be updated before each assessment cycle."*

> ***"The Sales Comparison Approach***
>
> *The sales comparison approach estimates the value of a subject property by statistically analyzing the sale prices of similar properties. This approach is usually the preferred approach for estimating values for residential and other property types with adequate sales.*
>
> *Applications of the sales comparison approach include direct market models and comparable sales algorithms (see Mass Appraisal of Real Property [Gloudemans 1999, chapters 3 and 4], Fundamentals of Mass Appraisal [Gloudemans and Almy 2011, chapters 4 and 6], and the Standard on Automated Valuation Models (AVMs) [IAAO 2018]). Comparable sales algorithms are most akin to single-property appraisal applications of the sales comparison approach. They have the advantages of being familiar and easily explained and can compensate for less well-specified or calibrated models, because the models are used only to make adjustments to the selected comparables. They can be problematic if the selected comparables are not well validated or representative of market value. Because they predict market value directly, direct market models depend more heavily on careful model specification and calibration. Their advantages include efficiency and consistency, because the same model is directly applied against all properties in the model area.*
>
> *Users of comparable sales algorithms should be aware that sales ratio statistics will be biased if sales used in the ratio study are used as comparables for themselves in model development. This problem can be avoided by (1) not using sales as comparables for themselves in modeling or (2) using holdout or later sales in ratio studies."*

> ***"The Income Approach***
>
> *In general, for income-producing properties, the income approach is the preferred valuation approach when reliable income and expense data are available, along with well-supported income multipliers, overall rates, and required rates of return on investment. Successful application of the income approach requires the collection, maintenance, and careful analysis of income and expense data.*
>
> *Mass appraisal applications of the income approach begin with collecting and processing income and expense data. (These data should be expressed on an appropriate per-unit basis, such as per square foot or per apartment unit.) Appraisers should then compute normal or typical gross incomes, vacancy rates, net incomes, and expense ratios for various homogeneous strata of properties. These figures can be used to judge the reasonableness of reported data for individual parcels and to estimate income and expense figures for parcels with unreported data. Actual or reported figures can be used as long as they reflect typical figures (or typical figures can be used for all properties).*
>
> *Alternatively, models for estimating gross or net income and expense ratios can be developed by using actual income and expense data from a sample of properties and calibrated by using multiple regression analysis. For an introduction to income modeling, see Mass Appraisal of Real Property (Gloudemans 1999, chapter 3) or Fundamentals of Mass Appraisal (Gloudemans and Almy 2011, chapter 9). The developed income figures can be capitalized into estimates of value in a number of ways. The most direct method involves the application of gross income multipliers, which express the ratio of market value to gross income. At a more refined level, net income multipliers or their reciprocals, overall capitalization rates, can be developed and applied. Provided there are adequate sales, these multipliers and rates should be extracted from a comparison of actual or estimated incomes with sale prices (older income and sales data should be adjusted to the valuation date as appropriate). Income multipliers and overall rates developed in this manner tend to provide reliable, consistent, and readily supported valuations when good sales and income data are available. When adequate sales are not available, relevant publications and local market participants can be consulted."*

The information in *Table 9.1* is provided purely for reference from IAAO's *Standard on Mass Appraisal of Real Property* - 2017. The table includes ranks reflecting the usefulness of the three approaches to value for major types of property. The ranking within *Table 9.1* indicates the most applicable approach and 3 indicates the least applicable approach:

TABLE 9.1 Three Approaches to Value by Property Type

Type of Property	Cost Approach	Sales Comparison Approach	Income Approach
Single-family residential	2	1	3
Multifamily residential	3	1, 2	1, 2
Commercial	3	2	1
Industrial	1, 2	3	1, 2
Nonagricultural land	-	1	2
Agricultural a	-	2	1
Special-purpose b	1	2, 3	2, 3

a Includes farm, ranch, and forest properties.
b Includes institutional, governmental, and recreation properties.

The St. Tammany Parish Assessor's Office relies most heavily on the sales comparison approach as this approach is most reflective of the market for the majority of properties in the Parish. As is seen in the chart above, the sales comparison approach is the preferred method for single-family residential properties. The income approach is relied on for income producing properties where this is a major consideration for buyers and sellers. The cost approach is relied on to a more limited extent as needed.

IAAO's *Standard on Mass Appraisal of Real Property* – 2017, 4.6 Considerations by Property Type, states in part, *"Although relying only on the single best approach for a given type of property can have advantages in terms of efficiency and consistency, the use of two or more approaches provides helpful cross-checks and flexibility and can thus produce greater accuracy, particularly for less typical properties."*

The cost approach can be a reliable indicator of value when accurate land values, base cost data, time trends, local area adjustments and depreciation are applied. PCSIAAO would recommend the development of a cost approach on all improved properties if only used for a cross-check on the sales or income approach.

Residential Valuation

Residential valuation is currently done using a hybrid sales comparison approach which is reportedly working well for the Parish. Staff have aspirations of developing regression models to support or supplement the current hybrid models in the future and have been working with Farragut to bring this capability to St. Tammany Parish. As is discussed earlier in this report PCSIAAO would recommend data collecting the additional characteristics to support the sales comparison approach with a cost approach to value.

The LTC's 2017 sales ratio study for St. Tammany Parish's residential values indicate that values are reflective of the market with the median assessed value, COD and PRD all meeting IAAO's sales ratio standards.

Commercial Valuation

The St. Tammany Assessor's Office value commercial property primarily by the income approach and their hybrid sales approach.

The Arist CAMA system's strength is residential single family property valuation. The CAMA system does not have commercial income model capability at the time of this report but based on conversations with St. Tammany staff income model capabilities are on their way. Currently income values are developed outside the CAMA system. Having models within the CAMA system that can accommodate income models will greatly decrease the amount of time required to value commercial property. PCSIAAO would recommend the development of a cost approach values for all commercial property moving forward. The cost approach can be a good check on other valuation methods and can be useful on non-typical commercial property.

For continuity purposes it would be helpful to add document policies for the valuation of mixed use and special use properties.

The LTC's 2023 sales ratio study for St. Tammany Parish's commercial values indicate that values are reflective of the market with the median assessed value, COD and PRD all meeting IAAO's sales ratio standards.

Personal Property Valuation

The State of Louisiana requires taxation of business personal property. St. Tammany Parish is able to discover this property through lists including occupational license filings, sales tax filings and lists of new or closed businesses from the Louisiana Secretary of States Office.

On the matter of the discovery of personal property, the Standard on Valuation of Personal Property states in part:

> *"The extent to which personal property can be assessed depends upon its discovery. Complete discovery requires adequately trained staff and supporting resources. Taxation agencies should be empowered to issue binding rules and regulations covering the discovery of personal property."*

The St. Tammany Assessor's Office mails LAT forms and allow for electronic filing of property through the Parish's online filing system. This online filing system greatly reduces staff labor and is a convenience that many residents prefer and expect. LAT forms are also stored on PaperVision to aid in data retrieval and save on storage space.

SUBJECT 10: Quality Assurance

Ensuring accurate and equitable property values is at the core of the Assessor's Office mission. Every process, from data collection to mapping updates, supports this fundamental objective.

IAAO's *Standard on Data Quality* states in part:

> *"Monitoring and reviewing data quality is a fundamental part of a successfully functioning mass appraisal and assessment process. The rate at which the quality of assessment data erodes is highly variable, but it is certain that the gap between what actually exists in the world versus what is in the assessor's records grows over time. In addition to maintaining data to a specified standard and determining areas of strength and/or weakness of data, the results may be used to determine how raw data, stratification of data, data sources, or data collection efforts can be enhanced to produce better future performance."*

Quality Assurance can be accomplished by adhering to the following. The order could vary.

1. Clear, up-to-date policies and procedures that are documented and available for staff to refer to. These policies should be developed with the input of staff completing the tasks.
2. Standardized and documented workflow to support assessment functions.
3. Maintain adequate staffing.
4. Performance plans that include training requirements.
5. Reinspection plan. (4-year reinspection cycle?)
6. Tools, technology and every other thing the staff needs to be successful.

The St. Tammany Parish Assessor's Office spends a considerable amount of their resources ensuring data and valuation quality. It has taken a large effort to simply get the Assessor's Office systems and data to this point. As has been discussed earlier in this report, many resources have been dedicated to getting parcels in the Assessor's Office GIS. More property characteristics are collected and cleaned all the time. New software has been implemented to improve data quality and data collection accuracy and efficiency. New staff have been brought on to add capabilities to the office. Staff continue to be trained to meet performance expectations. All indications are that the staff and tools are in place to continue to move the office forward with better quality data and valuations.

SUBJECT 11: Valuation Defense

Valuation reviews, hearings and appeals provide an opportunity for the assessment jurisdiction to not only hear complaints about property values, but this is also an opportunity for assessors to educate the public on the assessment process and further refine data or processes to more fairly and equitably value property.

The *Standard on Assessment Appeals* states, in part:

> *"Assessment appeals are an important component in the assessment process. Appeals provide an opportunity for property owners to meet with the assessor to inquire about their assessments and to learn about assessment and appeal procedures. In the case of disputes about assessments, an appeal system should provide opportunities for both informal meetings with the assessor and formal hearings before independent bodies to resolve disputed issues and thus assure the public that assessments are correct, fair, and equitable.*
>
> *Key to any assessment appeal system is an open and transparent process that relies on a clearly written set of procedures and provides due process."*
>
> *"The appeal procedure should provide adequate time for property owners to inquire informally about their assessments and to file informal protests with the assessor and for the assessor to render a written decision on each such appeal. Time also should be provided for property owners to file formal appeals of those decisions with the appeal board and for the board to act on all such appeals. All appeals to the board should be decided, if possible, before tax bills are issued. However, the period provided for appeals should not be so long as to delay tax collections unreasonably."*

The State of Louisiana has well established and documented policies and procedures regarding valuation disputes that all assessment offices must follow. Based on discussions with St. Tammany staff the appeals calendar could be improved to allow better timing for reviews.

St. Tammany Parish Assessor's Office allows for online appeal filing. This practice allows for easier appeal filing and meets with best practices.

In St. Tammany the elected Parish Council sits as Board of Review. There are no education requirements for this board.

IAAO's *Standard on Assessment Appeal* – 2016 states in part:

> *"Tribunals and appeal boards should comprise individuals such as real estate appraisers, real estate brokers, mortgage loan officers, public accountants, and lawyers, who have knowledge of property tax principles, laws, and ratio studies. To exercise these duties, board members should attend formal training on the duties of the board or tribunal, and demonstrate competency."*

As board members are elected the Assessor has no control over their qualifications, but the State could require board members receive some basic education before hearing reviews.

SUBJECT 12: Communication and Taxpayer Assistance

The introduction to the *Standard on Public Relations* states:

> *"A public relations program in the assessment profession provides current and useful information on assessment policies and practices, as well as a means of responding to public opinion. A proactive public relations program is essential to public awareness of the assessment process and of the importance of the property tax in funding local government services. A public relations program should be an integral part of every assessment office's work. A public relations program describes what the office does as well as how, why, and for whom its services are provided. An effective public relations program results in more accurate and thorough coverage from the media and a better-informed constituency."*

Public relations are an ongoing requirement of every public facing government office, especially one that has such a direct impact on tax liability. St. Tammany Parish provides services and general information to the public through its website, social media, literature, press releases, over the phone, in-person, TV, radio, print, and through presentations at the dozens of meetings that the Assessor and his staff attends including private groups and taxing entities.

The office's website is one of the greatest tools in St. Tammany Parish's toolbox to help communicate with members of the community. Property owners can watch videos of the Assessor explaining processes, read about processes, and search for information on their property. The webpage also allows property owners to schedule meetings and submit information without talking to anyone and can avoid driving to the offices. Customer-facing staff should continue to track the topics or specific questions being asked and if trends are noted, those common themes can continue to be added to the website under the FAQ section. That same list of questions and responses should be made available to all staff to ensure that consistent answers and messaging is provided by all staff members. As with the frequently asked questions, it is very important for every change in the information provided to the public to be rapidly and effectively communicated to every assessment office staff member. St. Tammany Parish Assessor's Office has created a series of videos covering FAQ's and explaining functions of the Assessment Office. These videos also have the added benefit of being used as training videos for new staff.

Additionally, St. Tammany Parish has an emergency preparedness and disaster recovery plan that includes public relations. St. Tammany Parish also allow the public to report storm damage on their website keeping their phone lines clear and helping to put property owners fears at ease.

Public outreach such as this meets best practices in operating an assessment office.

CONCLUSIONS

The purpose of this review was to perform a Gap Analysis for St. Tammany Parish. The gaps, in this case, are between actual operations identified and best practices embodied in the IAAO Technical Standards. This report attempted to highlight some of the challenges the jurisdiction is facing while giving some suggestions for improvement.

It's worth stating that no Assessor's Office anywhere does everything perfectly.

The St. Tammany Parish Assessor's Office is comprised of a group of hard-working individuals that clearly care about doing the right thing and improving the Assessor's Office anyway they can. St. Tammany Assessor's office has faced challenges, some of which are common among assessment jurisdictions, others which are unique to them. Overall PCSIAAO would conclude that the St. Tammany Parish Assessor's Office is near the top in much of what they do and are certainly pointed in the right direction.

The staff of the Professional Consulting Service of the IAAO would like to thank the citizens of St. Tammany Parish for the opportunity to review your Assessment Office's operations and hope that this report is useful in setting priorities for the Assessor's Office in the future.

APPENDIX

RECOMMENDED COURSES AND EXPERIENCE BY POSITION

The courses, workshops, knowledge, and experience recommended in this appendix are meant to be a guide for the background, preparation, and formal education necessary for assessment administrators, appraisers, and support personnel to achieve competency. They are not all-inclusive, nor should they act as a barrier to the furthering of formal educational knowledge.

Oftentimes, a person's workplace responsibilities dictate further areas of recommended study. Additionally, not all courses may be pertinent, for example, jurisdictions that do not value personal property may not require that course or workshop.

Appraiser – Entry Level

Education
Bachelor's degree or combination of college and experience equivalent to a degree.

Experience
Real estate, building construction, GIS/mapping, or mass appraisal.

Skills and Knowledge
Algebra, mathematical ability, computer literacy, and good written and oral communication skills.

Continuing Education Required

- Course 101. Fundamentals of Real Property Appraisal
- Course 300. Fundamentals of Mass Appraisal
- Course 500. Assessment of Personal Property
- Workshop 150. Mathematics for Assessing Officers
- Workshop 151/191. Uniform Standards of Professional Practice (National)

Continuing Education Recommended

- Course 102. Income Approach to Valuation Course
- Course 112. Income Approach to Valuation II
- Course 201. Appraisal of Land
- Workshop 162. Marshall & Swift Cost Approach (Residential)

Appraiser – Senior

Education
Bachelor's degree in mathematics, communications, economics, statistics, accounting, finance, computer science, business administration, geography, or real estate or combination of college and experience equivalent to a degree.

Experience
Real estate, building construction, GIS/mapping, or mass appraisal.

Skills and Knowledge
Mastery of all three approaches to value, algebra, mathematical ability, computer literacy, and good written and oral communication skills.

Continuing Education Required
- Course 101. Fundamentals of Real Property Appraisal
- Course 102. Income Approach to Valuation
- Course 112. Income Approach to Valuation II
- Course 201. Appraisal of Land
- Course 300. Fundamentals of Mass Appraisal
- Course 500. Assessment of Personal Property
- Workshop 150. Mathematics for Assessing Officers
- Workshop 151/191. Uniform Standards of Professional Practice (National)
- Workshop 162. Marshall & Swift Cost Approach (Residential)
- Workshop 157. The Appraisal Uses of Excel Software
- Workshop 158. Highest and Best Use

Continuing Education Recommended
- Workshop 163. Marshall & Swift Cost Approach (Commercial)
- Everything not listed under required as may pertain to specific job duties

Appraiser – Supervisor

Education
Bachelor's degree in mathematics, communications, accounting, finance computer science, business administration, or real estate or combination of college and experience equivalent to a degree.

Experience
Real estate, building construction, GIS/mapping, or mass appraisal.

Skills and Knowledge
Mastery of all three approaches to value, algebra, mathematical ability, computer literacy, management and good written and oral communication skills.

Desirable
Master's degree, professional designation, or IAAO Accredited Member Status

Continuing Education Required

- Course 101. Fundamentals of Real Property Appraisal
- Course 102. Income Approach to Valuation
- Course 112. Income Approach to Valuation II
- Course 201. Appraisal of Land
- Course 300. Fundamentals of Mass Appraisal
- Course 500. Assessment of Personal Property
- Workshop 150. Mathematics for Assessing Officers
- Workshop 151/191. Uniform Standards of Professional Practice (National)
- Workshop 162. Marshall & Swift Cost Approach (Residential)
- Workshop 157. The Appraisal Uses of Excel Software
- Workshop 158. Highest and Best Use

Continuing Education Recommended

- Course 400. Assessment Administration
- Course 402. Property Tax Policy
- Workshop 171. IAAO Standards of Practice and Professional Ethics Supplement
- Workshop 452. Fundamentals of Assessment Ratio Studies

Chief Assessment Administrator

Education
Bachelor's degree in mathematics, communications, accounting, finance, computer science, business administration, or real estate or combination of college and experience equivalent to a degree.

Experience
Real estate, building construction, GIS/mapping, or mass appraisal.

Skills and Knowledge
Algebra, mathematical ability, computer literacy, complex problem solving, management, administration, public relations, and good written and oral communication skills..

Desirable
Master's degree, professional designation, or IAAO Accredited Member Status

Continuing Education Required
- Course 101. Fundamentals of Real Property Appraisal
- Course 102. Income Approach to Valuation
- Course 112. Income Approach to Valuation II
- Course 201. Appraisal of Land
- Course 300. Fundamentals of Mass Appraisal
- Course 400. Assessment Administration
- Course 402. Property Tax Policy
- Course 500. Assessment of Personal Property
- Workshop 150. Mathematics for Assessing Officers
- Workshop 151/191. Uniform Standards of Professional Practice (National)
- Workshop 162. Marshall & Swift Cost Approach (Residential)

Continuing Education Recommended
- Workshop 157. The Appraisal Uses of Excel Software
- Workshop 171. IAAO Standards of Practice and Professional Ethics Supplement
- Workshop 403. Property Tax Policy Alternatives and Modules
- Workshop 452. Fundamentals of Assessment Ratio Studies

Assessment Support Personnel

Assessment support personnel can cover a myriad of disciplines from the most technical to routine clerical support. All these disciplines have their own requirements and areas of specific expertise. Listing all the possibilities throughout the international community is beyond the scope of this document. For example, certain technical appraisal assignments such as utilities and mines may require additional specialized subject matter expertise.

Education

Ranging from a high school diploma or equivalent to a bachelor's degree in mathematics, statistics, communications, accounting, finance, computer science, business administration, geography, or real estate or combination of college and experience equivalent to a degree.

Experience

Real estate, building construction, GIS/mapping, mass appraisal, financial services, or specific areas of expertise relevant to the position.

Skills and Knowledge

Algebra, mathematical ability, computer literacy, and good written and oral communication skills.

Continuing Education Required

- Course 101 Fundamentals of Real Property Appraisal
- Course 500. Assessment of Personal Property
- Workshop 150. Mathematics for Assessing Officers
- Workshop 171. IAAO Standards of Practice and Professional Ethics Supplement

Continuing Education Recommended

- Course 300. Fundamentals of Mass Appraisals.

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