

# 2009 ANNUAL REPORT

DIVISION OF  
PROPERTY ASSESSMENTS  
COMPTROLLER OF THE TREASURY

**“INCORPORATING CHANGE”**



## INCORPORATING CHANGE WHILE MAINTAINING OUR CORE VALUES

-  HONESTY AND INTEGRITY
-  ACCURACY AND RELIABILITY
-  ACCOUNTABILITY

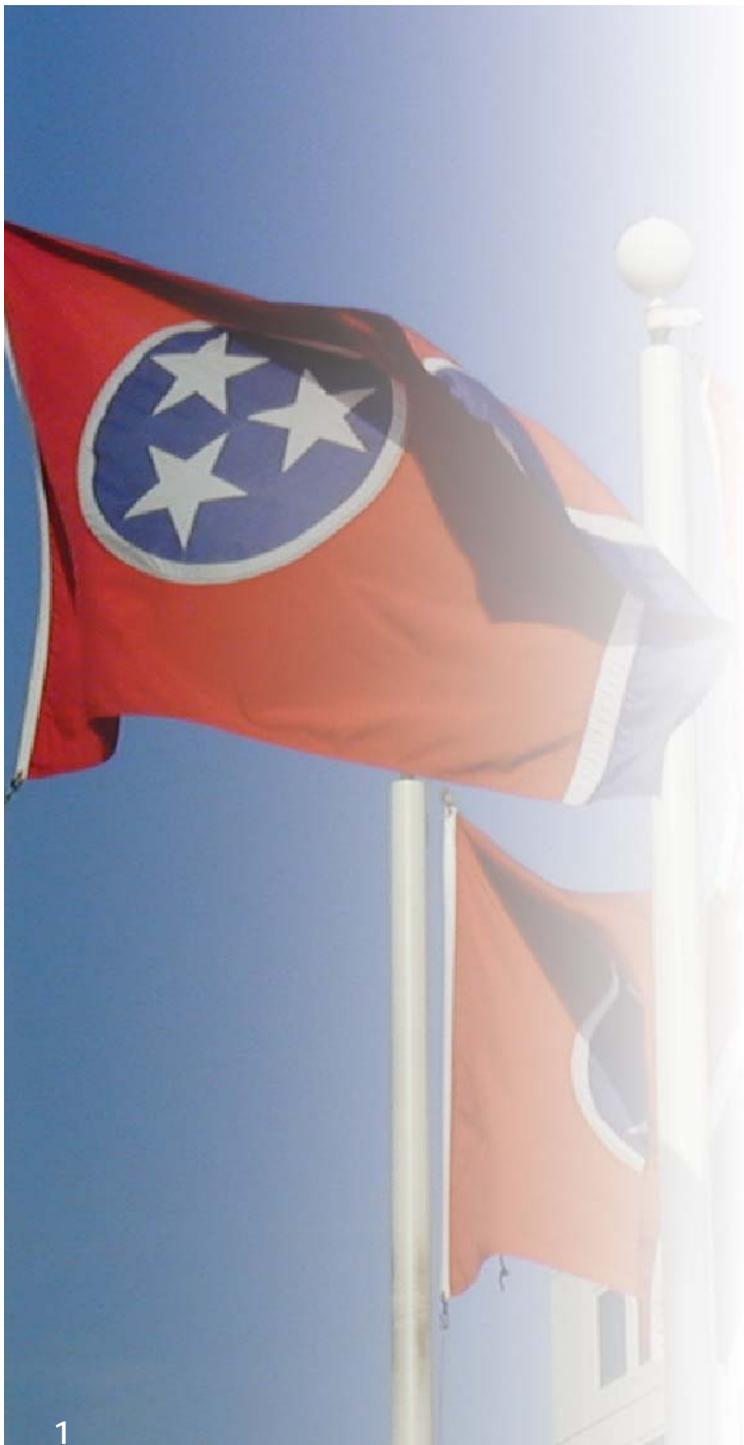
*The Core Values of the Division of Property Assessments are those values we hold which form the foundation on which we perform our work and conduct ourselves. We have many values, but some of them are so crucial, so important to us that throughout the changes in society, government, politics, and technology they are STILL the core values we will abide by. In an ever-changing world, Core Values are constant. Core Values are not descriptions of the work we do or the plans we implement to accomplish our mission. The Values underlie our work, how we interact with each other, and which strategies we employ to fulfill our mission. The Core Values are the basic elements of how we go about our work. They are the practices we use every day.*

*To achieve success in administering Tennessee's Property Tax System, we hold to our Core Values in everything we do.*



Photograph of columns and capitals from the Tennessee State Capitol Building, Nashville, circa 1996





## CONTENTS

Summary	1
Members of the Board	2
Goals	3
Organization	3
Administration	4
Systems	5
Special Projects	8
Regional Services	9
Legal Services	12

## SUMMARY

- **Appraisal Training** – 183 state and county staff attended 10 classes at a per student cost of \$94.84. Eight (8) individuals achieved Assessment Level Certification for FY 2008-2009.
- **IMPACT** – When IMPACT is fully implemented in 2011, over 625 users will be transitioned to the new system.
- **Assessment Change Notices** – Approximately 585,000 notices were printed and delivered to counties for mailing to the property owners.
- **Tax Billing** – Tax notices, tax receipts and tax roll entries for approximately 2,000,000 parcels were printed.
- **Property Tax Relief** – 140,000 claims were processed representing over 96,000 applicants. For the third consecutive year, over 25,000 claims for first time applicants were submitted for processing.
- **Property Tax Freeze** – Twenty (20) counties and 21 cities have adopted the Property Tax Freeze program.
- **Reappraisal** – Eighteen (18) counties were reappraised in accordance with reappraisal plans submitted by assessors of property and approved by the SBOE. A map showing these counties is available on page 11 of this report.
- **Reappraisal Grants** – A total of \$1,986,421 in grants were issued to all counties in the state for conducting visual inspections and reappraisals. A detailed listing of grant amounts is available on page 11 of this report..
- **Appraisal Ratio Studies** – Appraisal ratio studies were performed in (37) counties for 2009. A map showing these counties, as well as a detailed listing of appraisal ratios, is available on page 11 of this report.
- **Current Value Updating** – Three (3) counties were analyzed with no counties requiring valuation updating. A map showing these counties is available on page 11 of this report.
- **Legislative Summary** – Legislation was passed during the 2009 Session that will affect property tax administration. A summary can be found beginning on page 12 of this report.

# MEMBERS OF THE BOARD

On behalf of the staff of the Division of Property Assessments, I am pleased to submit our annual report for fiscal year 2008–2009. This report is also available on the Division’s web site at <http://www.tn.gov/comptroller/pa/>.

Programs administered by the Division produced assessments and tax billings on approximately 3.2 million parcels, delivering essential revenues in 95 counties and 285 municipalities and their school districts.

Our services continue to increase in public value thanks to our effective and resourceful employees. We recognize that “who we are” is as important as “what we do”, and we remain dedicated to honoring our record of efficiency and our history of integrity and exceptional service.

We are proud to serve the local governments and people of our state as a participant in Tennessee’s journey through the 21<sup>st</sup> century. We are also grateful for the support of the Comptroller of the Treasury and the State Board of Equalization.

Respectfully Submitted,



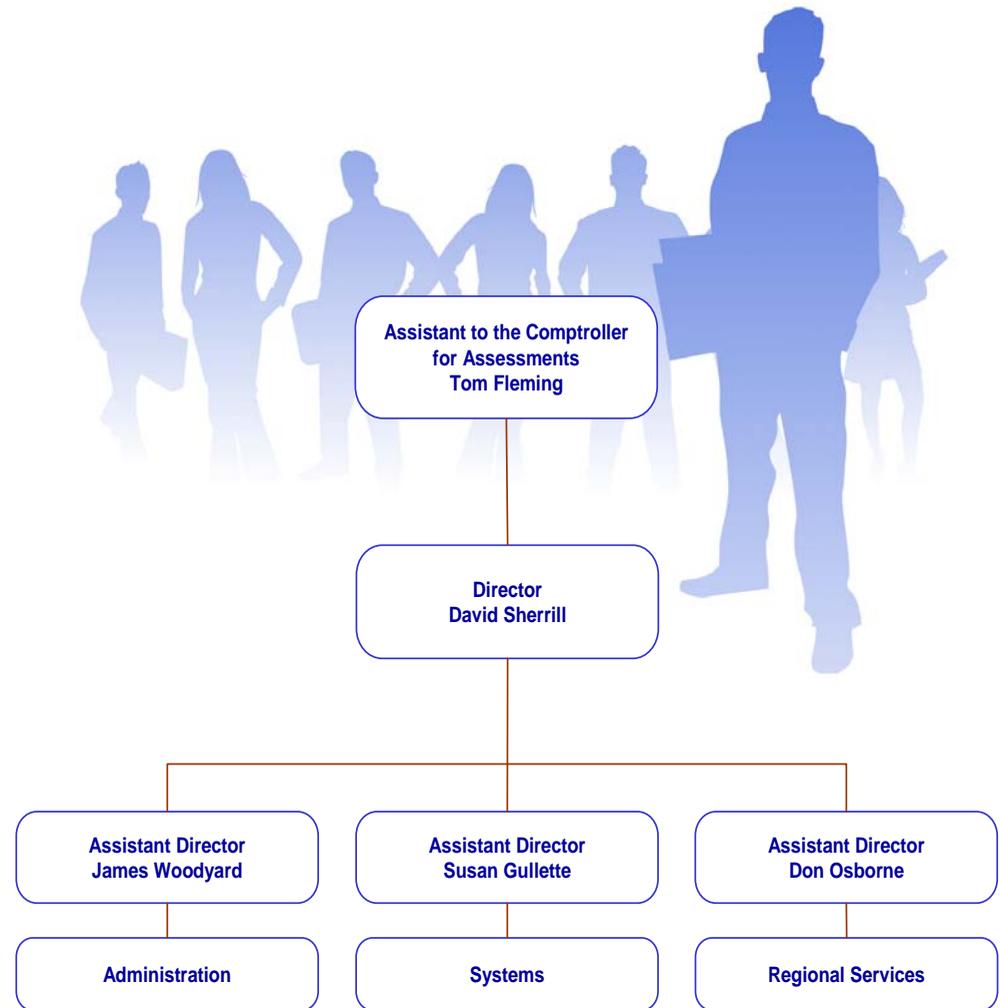
David Sherrill, CAE  
Director



## GOALS

- To ensure the professional administration of property tax programs in all taxing jurisdictions pursuant to T.C.A. § 67-1-201 through § 67-1-514, 1 through 10, T.C.A. § 67-5-101 through 67-5-1703.
- To ensure a standardized record-keeping system for all property tax records through the continued use of the division's computerized appraisal and tax billing system.
- To ensure an up-to-date and equitable property tax base in all taxing jurisdictions through continuing county reappraisal efforts and the maintenance of the division's Computer Assisted Appraisal System, pursuant to T.C.A. § 67-5-1601 through 67-5-1603.
- To ensure a high degree of competency and a broad base of appraisal knowledge through the division's assessment certification and education program.
- To administer the Property Tax Relief Program in a manner that all qualifying low-income elderly, disabled, disabled veterans and surviving spouses of disabled veterans will receive timely and accurate rebates.
- To monitor and assist local jurisdictions with the Property Tax Freeze program thru use of the Comptroller's web-based Tax Freeze System.
- To accomplish appraisal ratio studies in every county as determined by the State Board of Equalization and pursuant to T.C.A. § 67-5-1604 through 67-5-1606.
- To monitor on-site review and valuation of properties, provide valuation assistance, develop valuation indexes and audit assessor performance in accordance with T.C.A. § 67-5-1601 (d) (1).

## ORGANIZATION



# ADMINISTRATION

## ADMINISTRATIVE SERVICES

- **Strategic Plan and Risk Assessment** – Administrative Services administers the annual strategic plan and risk assessment for the Division of Property Assessments (DPA).
- **Annual Budget** – Administrative services develops, implements and monitors the division's annual operating budget.

## ASSESSMENT EDUCATION

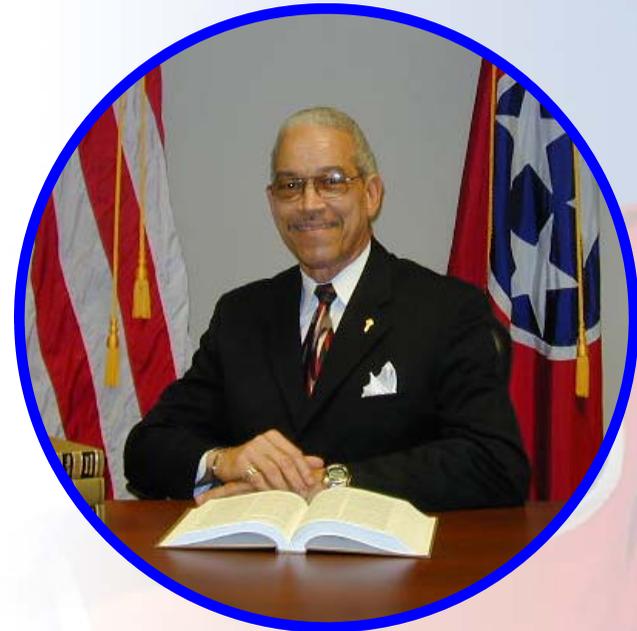
- **Appraisal Training** – During Fiscal Year (FY) 2008-2009 technical appraisal training was provided to approximately 203 students through 10 classes in three locations, Jackson, Nashville and Knoxville.

The total cost for FY 2008-2009 was \$21,863 for 203 students. Twenty (20) students in FY 2008-2009 were private participants that paid \$4,507 to attend. The total division cost was \$17,356 for 183 students resulting in a per student cost for tuition and books of \$94.84.

County Board of Equalization Seminars had approximately 269 attending five (5) separate locations throughout the state.

- **Assessor Certification and Education Program** – Currently the program has 23 CAE Designations, 90 TMA Certifications and 112 TCA Certificate holders.

The State Board of Equalization paid incentive compensation (county employees only) to 10 CAE, 29 TMA and 30 TCA Certificate holders. Two hundred eighty-eight (288) TCA's have been certified since the program began in 1977. Eight (8) individuals achieved Assessment Level Certification for FY 2008-2009.



JAMES E. WOODYARD, SR.  
ASSISTANT DIRECTOR

**A**dministration continues to implement an annual strategic plan while maintaining a sound and balanced budget for the Division of Property Assessments. The Administration section also continues to successfully administer the Assessment Certification and Education Program, offering professional technical appraisal training to state, county and private sector individuals. A high quality of training has been maintained while offering fewer classes.

# SYSTEMS

## IMPACT



SUSAN GULLETTE  
ASSISTANT DIRECTOR

**S**ystems dedication to provide accurate data while offering a timely delivery of services to assessment jurisdictions, remains the persistent goal of this section. With the successful administration of both the Property Tax Relief Program and the Property Tax Freeze Program, and the implementation of IMPACT, Tennessee's taxpayers as well as DPA staff will continue to benefit.

- **Integrated Multi Processing of Administrative and CAMA Technology (IMPACT)** – This system is the largest software application project today in the Office of the Comptroller. IMPACT is a strong departure from today's collection of technology applications that support the business areas of the Division of Property Assessments, the Office of State Assessed Properties, and the State Board of Equalization. IMPACT replaces multiple legacy systems and databases, plus a variety of individual spreadsheets and charts. Among the many benefits of IMPACT, the new system introduces a single relational database that allows the business areas to share dependent data, removing redundant manual entry and reconciliation tasks.
- **Implementation** – IMPACT implementation is planned as a staged sequence across the three state business areas and 88 county assessor offices that are currently on the state's system. Areas will be moving to IMPACT at advantageous points in their business cycle. When IMPACT is fully implemented in 2011, over 625 users will be transitioned to the new system.
- **Testing Phase** – The IMPACT project team and extended tester users are focused to ensure these quality components are in place and have met requirements prior to IMPACT's move to production:
  - ◆ A secure and stable architecture
  - ◆ A robust product suite
  - ◆ Data conversions that correctly move data into the new system
  - ◆ Interfaces that share financial and business data between IMPACT and other systems
  - ◆ A business and technical training program, presented "Just-In-Time" by knowledgeable trainers
  - ◆ A single-point end user support service
  - ◆ Extended communications before and after Implementation events to introduce new changes, then provide closure.

# SYSTEMS

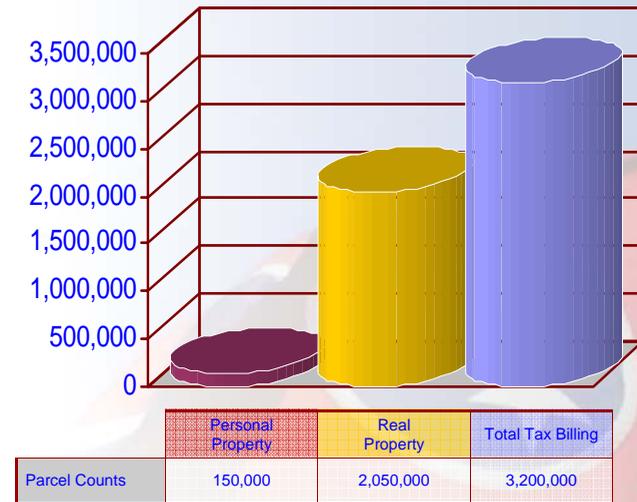
## ASSESSMENT SYSTEMS

- **Reappraisal and Current Value Update Programs** – During Fiscal Year (FY) 2008-2009, over 400,000 parcels of real property were re-valued using our CAAS systems. Assessment Systems will always ensure the valuation programs are performed accurately and timely.
- **Assessment Change Notices** – Each year Assessment Systems provides the service of printing the assessment change notices and related reports on properties that have a change in assessment or property classification. In FY 2008-2009, approximately 585,000 notices were printed and delivered to counties for mailing to the property owners.
- **Tax Billing** – Assessment Systems assists local tax authorities (Counties and Cities) with the preparation of annual tax billing data. In FY 2008-2009, tax notices, tax receipts and tax roll entries for approximately 2,000,000 parcels were printed. In addition, electronic data files for approximately 2,000,000 parcels were generated for authorities that use private vendors for some or all of their documents.
- **DPA Internet** – The DPA internet website continues to be an invaluable tool for both government agencies and public entities. The website offers up to date information on Real Estate Assessment Data, Property Tax Freeze Program, IMPACT Project, Property Tax Relief Program, and the Assessment Education and Certification Program.
- **DPA Intranet** – The DPA Intranet site serves as a repository for information to be used by DPA staff statewide. The intranet site offers access to information such as the DPA newsletter “The Tape Measure”, the IMPACT newsletter, appraisal training registration information, and a staff directory.

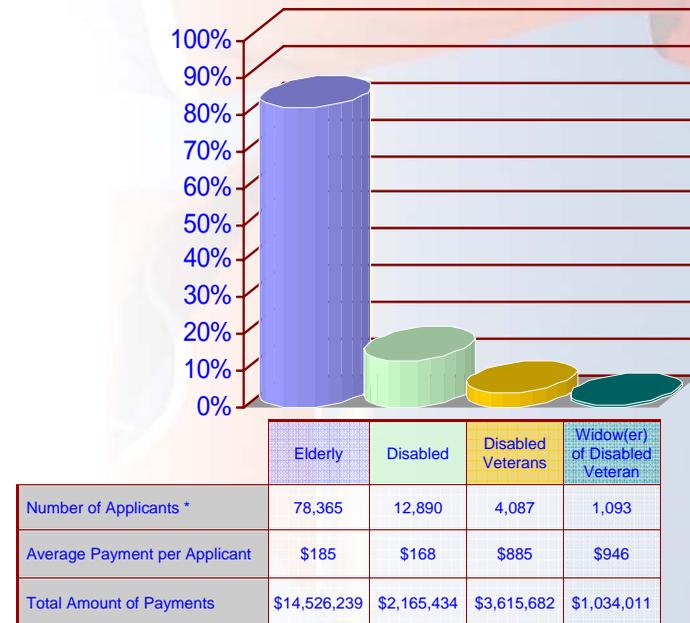
## TAX RELIEF

- **Funding** – During FY 2008-2009, the state legislature appropriated \$22,800,000 to fund the Property Tax Relief Program. The combined income limit for elderly and disabled homeowners and their spouses was increased to 24,790.

2008 Tax Billing Parcels Processed by Systems



Percentage of Tax Year 2008 Tax Relief Applicants by Classification



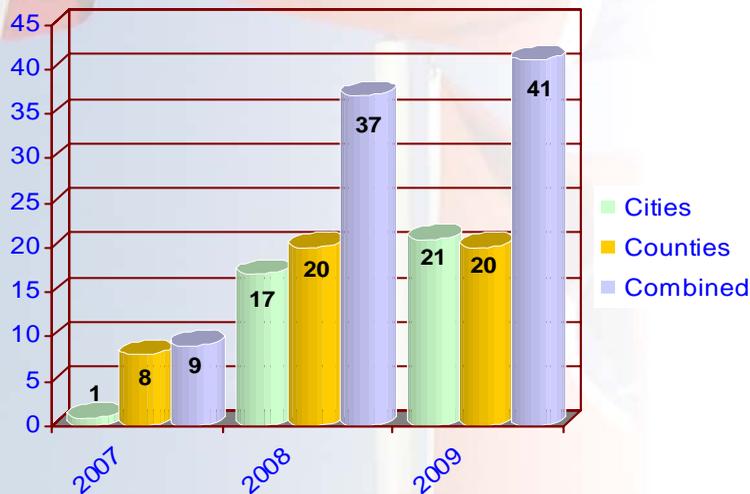
\*This chart represents applicants. An applicant may have both a county and city claim

# SYSTEMS

Tennessee Comptroller of the Treasury Division of Property Assessments	
Constitutional Amendment	<p style="text-align: center;"><b>State of Tennessee Property Tax Freeze Program</b></p> <p><b>Background</b></p> <p>In November 2006, Tennessee voters approved an amendment to <a href="#">Article II, Section 28</a> of the Tennessee Constitution giving the General Assembly the authority by general law to authorize counties and/or municipalities to implement a local option property tax freeze for taxpayers 65 years of age or older.</p> <p>In its 2007 session, the 105th General Assembly enacted the <a href="#">Property Tax Freeze Act</a> which establishes the tax freeze and authorizes the legislative body of any county and/or municipality to adopt the property tax freeze program. The Act became effective on July 1, 2007.</p> <p><b>Provisions</b></p>
Property Tax Freeze Act	
Administrative Rules	
Tax Freeze Jurisdictions	
2009 Income Limits	
2008 Income Limits	
Frequently Asked Questions	

More information regarding the Property Tax Freeze is available on the Comptroller website at [www.tn.gov/comptroller/pa/taxfreeze.htm](http://www.tn.gov/comptroller/pa/taxfreeze.htm).

**Total Number of Tax Freeze Jurisdictions by Year**



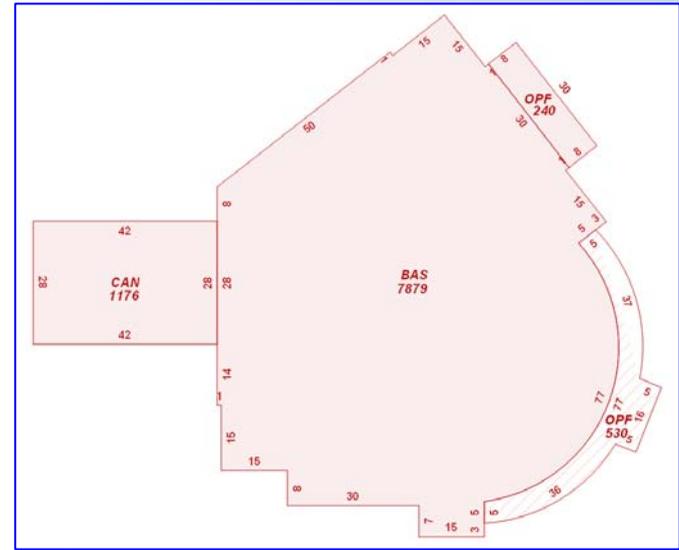
- **Tax Relief Web** – During FY 2008-2009, 104,000 Application Credit Vouchers (ACV)s and 24,000 Disbursement Vouchers (DV)s were submitted via the web. Improvements to the security for passwords and an e-mail function to securely transmit documents online have been implemented.
- **Claims** – One hundred forty thousand (140,000) claims were processed in FY 2008-2009 representing over 96,000 applicants. For the third consecutive year, over 25,000 claims for first time applicants were submitted for processing. This fiscal year 17 of the weekly pay runs exceeded \$500,000 due to the increase in the income limit for elderly and disabled homeowners and the additional disabled veteran homeowners who now qualify.

## TAX FREEZE

- **Property Tax Freeze** – With the passage of the Property Tax Freeze Act (Public Chapter 581, Acts of 2007) multiple efforts involving personnel from several functional areas of the DPA, as well as other areas within the Comptroller’s office, were initiated to set up the Tax Freeze program.
- **Staffing** – Staffing to monitor and assist local jurisdictions with the Tax Freeze program was established within the DPA. In addition, a state project was initiated to develop a web-based Tax Freeze System for use by collecting officials and Assessors in jurisdictions adopting the program.
- **Tax Freeze Adoptions** – In 2007, 16,300 applicants signed up for the Tax Freeze; in 2008 that number had increased to 38,000 applicants. Now in its second year following passage, the local option Property Tax Freeze program has been adopted by 20 counties and 21 cities across the state. The number of jurisdictions on the program has grown each year.

# SPECIAL PROJECTS

- **IMPACT** – A significant amount of Special Projects resources are being dedicated to the IMPACT project. Activities related to IMPACT include:
  - ◆ Core Team participation
  - ◆ Specification review
  - ◆ Data conversion review
  - ◆ Test design and testing
  - ◆ Residential and Commercial valuation methodology review
  - ◆ Coordination with OSAP regarding parcel ID matching
  - ◆ Presentations to GIS user groups regarding GIS functionality in IMPACT
  - ◆ Coordination of Apex sketch software issues
- **Property Tax Freeze** – The Comptroller’s web-based Tax Freeze System provides collecting officials and Assessors of Property the tools necessary to administer the tax freeze. This system was developed through a cooperative effort between the Division of Property Assessments and the Information Technology section of the Office of Management Services. Highlights of the system are:
  - ◆ State program available for use by local Tax Freeze administrators
  - ◆ Secure web-based program
  - ◆ Collecting official website for entering applications
  - ◆ Assessor website for entering assessments
  - ◆ Online interaction between Assessor and collecting official
  - ◆ Tax Billing module creates specialized tax bills for tax freeze properties
  - ◆ Online summary report
- **MapViewer** – Use of the state-developed MapViewer GIS analysis tool has continued to grow, with 650 users in state and county assessment offices. This tool provides assessment personnel with GIS viewing and analysis functions geared toward the property assessment process.



*This building sketch was drawn using the Apex Medina sketch software that will be integrated with IMPACT.*

Office of the Comptroller of the Treasury  
**State of Tennessee Tax Freeze System**

2007 STATE OF TENNESSEE PROPERTY TAX FREEZE APPLICATION  
 WILSON COUNTY

Ownership - Choose 1  
 Sole Owner  Co-Owners  
 If applicant's name is not on property tax receipt, provide ownership evidence.

Life Estate - Choose 1  
 No  Yes

Mobile Home - Choose 1  
 No  Yes  
 If yes, provide Title or BOB

County #	City #	DI	MAP	Group	CNTL MAP	Parcel	PI	SI
095	000	01	054 - 0	B	054 - 0	117 - 00		090

Last Name: WILLIAMSON  
 First Name: WILLIAM  
 MI: 0  
 Social Security Number: 999 - 99 - 9999  
 Birth Date: 01 / 01 / 1943

Telephone Number: (615) 555 - 9999  
 Applicant Location - Choose 1  
 Living on Property  
 Not Living on Property

Street Address of Principal Residence: \_\_\_\_\_ City at Principal Residence: \_\_\_\_\_ Zip Code: \_\_\_\_\_

*A portion of the Tax Freeze online application available for use by collecting officials in Tax Freeze jurisdictions.*

## REGIONAL SERVICES



DON OSBORNE  
ASSISTANT DIRECTOR

**R**egional Services remains diligent in its goal to provide guidance and technical assistance to Tennessee's assessment jurisdictions. This section has managed to maintain a consistent quality of support even with a reduction in staff thanks in part to the adaption of new procedures and advancements in technology.

- **Staffing** – Currently, the section is comprised of approximately 76 personnel assigned to nine assessment regions operating in seven offices located throughout the state, as well as in the division's downtown Nashville office.
- **Field Work** – The regional staffs monitor the quality and quantity of annual maintenance, the visual inspection cycle, and reappraisal programs performed by the assessors. In addition, the Regional Services section also provides technical assistance to assessors, develops current value updates (CVU), conducts appraisal ratio studies, defends property value appeals and administers the reappraisal grant program.
- **Monitoring** – During Fiscal Year (FY) 2008-2009, the monitoring effort of the DPA included working in all 95 counties and reviewing property characteristic data on all property types.
- **Reappraisal Grants** – A total of \$1,968,421 was granted in FY 2008-2009 to all counties in the state for the purpose of conducting visual inspection and reappraisal according to T.C.A. § 67-5-1601. The grants were issued in four quarterly installments to those counties determined to be in compliance with the schedules stipulated in their plans for reappraisal. Individual county grant amounts for FY 2008-2009 are displayed on page 11.
- **Reappraisal Counties** – Eighteen (18) counties were reappraised in accordance with reappraisal plans submitted by assessors of property and approved by the SBOE. The map on page 11 shows counties scheduled for a 2009 reappraisal.
- **Appraisal Ratio Studies** – The Division of Property Assessments has statutory responsibility for conducting appraisal ratio studies in all counties in Tennessee at least once every two years. The map on page 11 shows the counties scheduled for a 2009 ratio study. Also shown are individual current appraisal ratios approved by the State Board of Equalization for all counties.
- **Current Value Updating** – Three (3) counties were analyzed this year with none requiring valuation updating. Sales data used in current value update analysis were extracted from the assessor's CAAS file and screened by DPA personnel. The map on page 11 shows the 2009 CVU counties.

# REGIONAL SERVICES

- **Economic Development Agreements** – Copies of industrial development leases and other similar agreements that include property tax incentives for business property are required to be submitted to the Comptroller of the Treasury and to the county mayor and city mayor where the property is located. Since 2001, 1,075 agreements have been filed from 70 counties. Fifty-three (53) agreements were filed this year from 20 counties.
- **Tangible Personal Property** – Counties are required to submit a personal property audit plan each year. To ensure adherence to the proposed plan and each county's audit methodology, the DPA conducts a personal property monitoring program for all 95 counties. Since 1988, accounts have increased from 124,291 to 242,488.
- **Wetlands Acquisition Program** – The division's responsibility under the wetlands acquisition program, as set forth in TCA § 11-14-406(b), is to certify property tax revenue lost due to the exemption of acquired property to the state Commissioner of Finance and Administration. The Commissioner certified a total of 41 properties to be allocated in two funds for FY 2008-2009. The State Land Acquisition Fund had 28 properties certified and the Wetlands Acquisition Fund had 13.
- **Appeal Assistance** – Appeals resulting from reappraisals performed by the assessor of property may involve DPA personnel upon request for assistance by the assessor of property. The level of DPA participation increases as the appeal moves through the process or when valuation techniques for a particular group of properties are appealed. During FY 2008-2009 the division received formal requests from 20 counties for appeal assistance.

JACKSON REGIONAL OFFICE



NASHVILLE AIRPORT REGIONAL OFFICE



COLUMBIA REGIONAL OFFICE



COOKEVILLE REGIONAL OFFICE



TULLAHOMA REGIONAL OFFICE



KNOXVILLE REGIONAL OFFICE

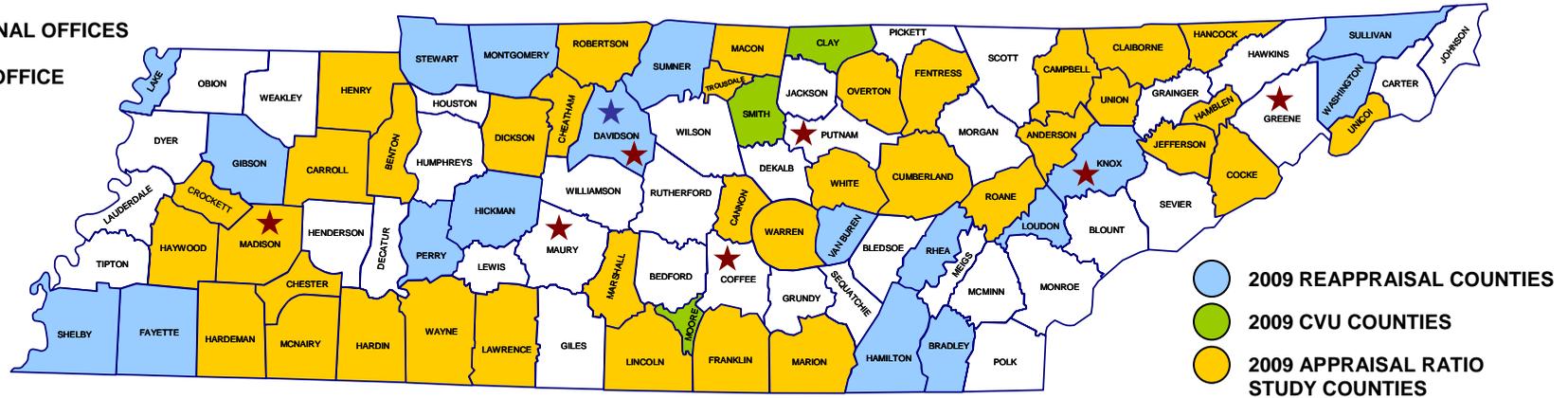


GREENEVILLE REGIONAL OFFICE



# REGIONAL SERVICES

- ★ DPA REGIONAL OFFICES
- ★ DPA MAIN OFFICE



COUNTY	2008 PARCEL COUNTS	2009 APPRAISAL RATIOS	FY 08-09 REAPPRAISAL GRANTS	COUNTY	2008 PARCEL COUNTS	2009 APPRAISAL RATIOS	FY 08-09 REAPPRAISAL GRANTS	COUNTY	2008 PARCEL COUNTS	2009 APPRAISAL RATIOS	FY 08-09 REAPPRAISAL GRANTS
ANDERSON	36,792	0.8094	\$22,662	HAMILTON	149,395	1.0000	\$91,692	MORGAN	14,909	0.8567	\$9,206
BEDFORD	21,489	0.9264	\$13,161	HANCOCK	5,965	0.8771	\$3,641	OBION	19,633	1.0000	\$12,151
BENTON	16,358	0.9190	\$10,103	HARDEMAN	20,477	0.9931	\$12,679	OVERTON	14,775	0.9140	\$9,033
BLED SOE	11,198	1.0000	\$6,654	HARDIN	25,677	0.9616	\$15,543	PERRY	7,701	1.0000	\$4,703
BLOUNT	65,334	0.8587	\$39,918	HAWKINS	38,533	0.8675	\$23,725	PICKETT	5,710	1.0000	\$3,504
BRADLEY	46,156	1.0000	\$28,303	HAYWOOD	11,666	0.9367	\$7,231	POLK	12,734	1.0000	\$7,730
CAMPBELL	29,785	0.8125	\$17,991	HENDERSON	17,479	0.9238	\$10,775	PUTNAM	35,519	0.8884	\$21,725
CANNON	7,628	0.9371	\$4,641	HENRY	25,597	0.8694	\$15,736	RHEA	23,922	1.0000	\$14,608
CARROLL	18,561	0.9500	\$11,376	HICKMAN	18,544	1.0000	\$11,473	ROANE	35,939	0.8008	\$22,065
CARTER	32,215	0.8390	\$19,838	HOUSTON	6,256	1.0000	\$3,850	ROBERTSON	33,842	0.9690	\$20,728
CHEATHAM	20,591	0.9344	\$12,546	HUMPHREYS	12,725	1.0000	\$7,854	RUTHERFORD	98,963	0.9516	\$59,105
CHESTER	9,245	0.8636	\$5,685	JACKSON	8,990	1.0000	\$5,548	SCOTT	14,784	1.0000	\$8,935
CLAIBORNE	23,027	0.8540	\$14,070	JEFFERSON	32,948	0.7940	\$20,061	SEQUATCHIE	11,243	1.0000	\$6,781
CLAY	6,770	0.9521	\$4,183	JOHNSON	14,063	0.7395	\$8,657	SEVIER	79,304	0.8684	\$47,901
COCKE	24,679	0.7735	\$15,051	KNOX	189,008	1.0000	\$114,650	SHELBY	353,025	1.0000	\$216,907
COFFEE	29,843	0.8814	\$18,262	LAKE	3,876	1.0000	\$2,391	SMITH	11,620	0.9065	\$7,190
CROCKETT	9,616	0.9167	\$5,931	LAUDERDALE	13,609	0.9333	\$8,378	STEWART	12,114	1.0000	\$7,438
CUMBERLAND	65,198	0.9690	\$40,095	LAWRENCE	23,580	0.8753	\$14,553	SULLIVAN	85,291	1.0000	\$52,592
DAVIDSON	232,420	1.0000	\$141,151	LEWIS	7,621	0.9140	\$4,742	SUMNER	70,846	1.0000	\$42,742
DECATUR	13,249	1.0000	\$7,974	LINCOLN	18,596	0.9320	\$11,337	TIPTON	30,337	1.0000	\$18,434
DEKALB	17,711	1.0000	\$10,749	LOUDON	33,410	1.0000	\$20,211	TROUSDALE	4,767	0.8609	\$2,939
DICKSON	25,834	0.9511	\$15,814	MACON	13,264	0.9818	\$8,162	UNICOI	11,259	0.8973	\$6,920
DYER	21,084	1.0000	\$12,997	MADISON	47,035	0.9429	\$28,767	UNION	14,754	0.9429	\$8,893
FAYETTE	22,772	1.0000	\$13,318	MARION	20,347	0.8705	\$12,277	VAN BUREN	7,572	1.0000	\$4,246
FENTRESS	16,005	0.9386	\$9,595	MARSHALL	16,266	0.9355	\$9,854	WARREN	22,218	0.9252	\$13,685
FRANKLIN	24,370	0.9444	\$14,851	MAURY	40,361	0.9039	\$24,484	WASHINGTON	57,036	1.0000	\$34,771
GIBSON	29,408	1.0000	\$17,997	MCMINN	30,289	1.0000	\$18,606	WAYNE	12,619	0.8294	\$7,735
GILES	17,820	0.9094	\$10,897	MCMINRY	17,914	0.8895	\$10,983	WEAKLEY	19,911	1.0000	\$12,585
GRAINGER	15,669	1.0000	\$9,440	MEIGS	9,026	0.8778	\$5,489	WHITE	16,762	0.8987	\$10,187
GREENE	42,904	1.0000	\$26,243	MONROE	28,621	1.0000	\$17,478	WILLIAMSON	71,247	0.8683	\$43,821
GRUNDY	10,723	1.0000	\$6,279	MONTGOMERY	64,595	1.0000	\$38,805	WILSON	51,259	1.0000	\$30,976
HAMBLEN	29,981	0.8237	\$18,424	MOORE	3,852	0.9181	\$2,354	<b>TOTALS</b>	<b>3,225,635</b>		<b>\$1,968,421</b>

# LEGAL SERVICES

- **Public Chapter 256 - Appeals before the State Board of Equalization** – Specifies that the Division of Property Assessments (DPA) has the right to intervene in contested cases before the State Board of Equalization (SBOE). The Act also provides that the following persons are permitted to represent the assessor of property in any contested case before the SBOE:
  - ◆ Attorneys, including attorneys with the DPA;
  - ◆ With respect to the assessor's office, any person designated as deputy assessor;
  - ◆ Where the only issue of an appeal is the valuation of tangible personal property, a certified public accountant, any person that has contracted with that particular county and/or assessor of property to review financial information relative to the subject taxpayer's personal property and the tax thereon, or any person with a personal property designation from any nationally accredited appraisal and/or assessment organization;
  - ◆ Employees of the DPA where such employees have attained any type of designation by the International Association of Assessing Officers or the Tennessee Certified Assessor's Program; and
  - ◆ Where the primary issue of any complaint, protest or appeal pertains to the valuation or classification, any person who holds a valid registration issued by the SBOE pursuant to 67-5-1514(c)(2).
- **Public Chapter 111 - Nonprofit Group Housing Exemptions** – Continues the present exemption for nonprofit group housing for low-income elderly and disabled persons financed by certain federal grants or loans specified in the statute even if the property is later refinanced under a comparable federal program, whether or not enumerated in the statute, provided the property continues to meet the use criteria.
- **Public Chapter 527 - Effects of Foreclosures** – Authorizes the assessor of property to recognize the effects of a significant number of foreclosures on the values of property within the affected area or neighborhood during the year of reappraisal.
- **Public Chapter 163 - Mitigating Forced Assessments** – Revises the statutes concerning the assessment of tangible personal property. Failure of the taxpayer to file the schedule will be considered a waiver of objections to any forced assessment determined by the assessor. The assessor is required to consider evidence indicative of the assessable market value of the property assessable to the taxpayer when determining a forced assessment.



BOBBY LEE  
GENERAL COUNSEL

**L**egal Services primary responsibility to provide accurate legal expertise and knowledge to address questions concerning the law as it pertains to assessment issues remains our focus. Legal Services continues to provide legal assistance to assessment personnel, policy makers and taxpayers across the state of Tennessee.

# LEGAL SERVICES

**APPEAL TO THE STATE BOARD OF EQUALIZATION**

This form must be **COMPLETELY FILLED IN, SIGNED AND SWORN TO, AND FILED IN TRIPPLICATE** (original and two copies including any attachments) with the State Board of Equalization. Any taxpayer, assessor of property, or taxing jurisdiction who desires to appeal to the State Board from action taken by the County Board of Equalization must do so before **AUGUST 1** of the tax year for which the appeal is made or 45 days from date of the County Board of Equalization's notice which ever is later. To learn more visit <http://www.tn.gov/comptroller/sb/appeal.htm>

RETURN TO: **STATE BOARD OF EQUALIZATION  
JAMES K. POLK STATE OFFICE BUILDING  
605 DEADERICK STREET, SUITE 1700  
NASHVILLE, TENNESSEE 37243-1402**

FOR OFFICIAL USE ONLY  
DO NOT WRITE IN THIS SPACE

RECORD# \_\_\_\_\_  
FEE# \_\_\_\_\_

A fee is due with this form. Click [here](#). For important information about payment of taxes while your appeal is pending click [here](#).

- Name of Property Owner \_\_\_\_\_  
(As listed on tax notice)
- Mailing Address \_\_\_\_\_ Street \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_ Tel. no. /wireless code \_\_\_\_\_
- The following information must be provided concerning any person who will represent the property owner in this appeal:  
Name \_\_\_\_\_ Relationship to owner (if Board registered agent, include registration no.) \_\_\_\_\_  
Street Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_ Tel. no. /wireless code \_\_\_\_\_
- The classification of the property on which this complaint is made is: (Check One)  
Real property ( ) Tangible personal property ( ) Intangible personal property ( )
- The property is presently subclassified as: (Check One)  
Residential ( ) Commercial ( ) Industrial ( ) Farm ( )
- County in which property is located \_\_\_\_\_ Tax year under appeal \_\_\_\_\_
- Physical address of property \_\_\_\_\_ Street or Route Number (No P.O. Boxes) \_\_\_\_\_

ASSESSOR'S PROPERTY IDENTIFICATION						
District or Ward	Map or Block	Group	Control Map	Parcel Number	Property Identifier	Special Interest

- Personal Property Identification Number (if applicable) \_\_\_\_\_
- Was this property appealed to County Board of Equalization?  
Yes ( ) Please attach a copy of the County Board of Equalization's decision  
No ( ) Please explain why and attach a copy of the notice or decision that prompted you to appeal.
- What is the appraised (not assessed) value according to the assessor's records for this property? \_\_\_\_\_
- Please indicate below the use of this property on January 1 of the tax year under appeal:  
( ) Farm ( ) Office building  
( ) Single family residence ( ) Warehouse  
( ) Duplex ( ) Retail  
( ) Apartment ( ) Manufacturing  
( ) Condominium ( ) Other  
( ) Hotel/motel

Notary Public \_\_\_\_\_  
My commission expires: \_\_\_\_\_

SBOE-4 RVSD 2/2008  
Form Number: CT-0051

Decisions of the county boards may be appealed to the State Board of Equalization, but must be filed by August 1 or within 45 days from the county board notice, whichever is later, using this form. For more information, visit the State Board of Equalization's website at [www.tn.gov/comptroller/sb/index.htm](http://www.tn.gov/comptroller/sb/index.htm)

The taxpayer will have the following remedies in regard to the forced assessment if it is shown that the assessment exceeds the assessable value of the taxpayer's property by more than 25%:

- ◆ The taxpayer may appeal to the county board of equalization, but will have to present a completed schedule;
- ◆ If the deadline to appeal to the county board of equalization has expired, the taxpayer may request the assessor to mitigate the forced assessment to the extent it is shown to exceed the standard depreciated value of the taxpayer's assessable property by 25% or more, so long as the failure to file the schedule or failure to timely appeal to the county board of equalization was not the result of gross negligence or willful disregard of the law. Gross negligence will be presumed if notice of the forced assessment was sent certified mail, return receipt requested, to the taxpayer's last known address on file with the assessor; and
- ◆ Whether or not an assessor's error affected the original assessment, the assessor may correct a forced assessment using the procedure provided under present law, upon determining that the taxpayer did not own assessable property as of the assessment date for the year at issue.

Public Chapter 163 also established a new limit on automatic equalization of business personal property assessments. The law previously required adjustment of tax bills (using current appraisal ratio) on personal property assessments that were based on a schedule filed by the taxpayer. The new law limits this equalization adjustment to situations where the schedule was timely filed, i.e. on or before March 1 of the year for which the assessment was made.

- **Public Chapter 530 (Section 131) - Leased Personal Property** – Defines prosthetic surgical kits held by merchants and businesses as “inventories or merchandise held by merchants and businesses for sale and exchange” when the kits are typical stock on hand at the premises of the merchant or business owner or when the kits are held for 30 days or less by a customer for use in surgeries. The property will not be subject to personal property assessment if the proceeds from the transaction have been be subject to the business tax. However, the surgical kits will be subject to personal property assessment to the customer/user as leased personal property if the kits are leased or consigned to the same customer/user for longer than 30 days.
- **Public Chapter 68 - Income Limits** – Requires that the income of a property owner's spouse be attributable to the property owner for purposes of determining whether the property owner is eligible for property tax relief for elderly low-income or disabled homeowners or qualifies for the property taxes to be frozen under the

# LEGAL SERVICES

Property Tax Freeze Act. The spouse's income is to be included whether or not the applicant and the applicant's spouse file a joint federal income tax return.

- **Public Chapter 71 - Partial Payments** – Requires country trustee to submit plan to the comptroller regarding partial tax payments prior to the trustee's accepting partial payment of property taxes prior to the property tax liability being determined.
- **Public Chapter 156 - Right of Redemption** – Provides that the one year right of redemption is from the date of the order of confirmation of the sale as evidenced by the records in the office of the clerk of the court responsible for the sale.
- **Public Chapter 185 - Delinquent Property Taxes** – Provides that property taxes due or delinquent on the property are lawful charges to preserve the value of the property that a court must order a person redeeming the property to pay.
- **Public Chapter 478 - Delinquent Property Taxes** – Authorizes municipalities to sell property acquired for tax delinquency for a price that is less than the total amount of taxes, penalty, cost and interest. The governing body must approve such a sell and sell must be after the period of redemption. The provisions of the Act do not apply to Davidson County.
- **Public Chapter 361 - Insurance Companies** – revises the current statute which provides a reduction in the apportionment ratio used in assessing the intangible personal property for new insurance companies. Under the current law during the first 15 full years an insurance company is in business, its apportionment ratio is reduced proportionately at the rate of (1/15) for each full year that 15 exceeds the number of full years it has been in business. Public Chapter 361 exempts any insurance company formed as a successor in interest to any insurance company which has already received a reduction in its apportionment ratio for the entirety of the 15 years permitted. However, any insurance company formed as a successor in interest in the year 2006 would be entitled to receive the reduction to its apportionment ratio for the first five full years of its existence even though the successor in interest's predecessor has already received its 15 year apportionment ratio.
- **Public Chapter 530 (Section 106) - Loan Companies** – exempts qualified financing entities defined in TCA § 67-4-2004 from the intangible personal property assessment. A qualified financing entity is a person that primarily finances wholesale and retail transactions related to the purchase or lease of industrial equipment, machinery, vehicles, or goods manufactured by its affiliates. The entity must be certified as a qualified financing entity by the Commissioner of Revenue and the Commissioner of Economic and Community Development.



For more information on current legislation or to learn more about the Tennessee General Assembly, visit the website at [www.capitol.tn.gov](http://www.capitol.tn.gov)

## EMPLOYEE RECOGNITION



### IN MEMORY OF STEVE NELSON

*Steve Nelson was employed with the DPA in our Knoxville office from May 3, 1982 until his passing on January 16, 2009. Those that were privileged to work along side Steve over the years knew of his kindness, dedication, integrity and loyalty.*



### Danny Taylor

*Retired December 2008*

*Thank you for 32 years service to the Division of Property Assessments*

### James Weaver

*Retired May 2009*

*Thank you for 37 years service to the Division of Property Assessments*



### Charles Winchester

*Retired July 2009*

*Thank you for 40 years service to the Division of Property Assessments*



### Marion (Ray) Weatherly

*Retired July 2009*

*Thank you for 32 years service to the Division of Property Assessments*



## HISTORY

Forty-two years ago the Eighty-fifth General Assembly of the state of Tennessee established the Division of Property Assessments (DPA) within the office of the Comptroller of the Treasury. Governor Buford Ellington signed the law establishing the division on May 25, 1967. The initial role of the DPA was to supervise the statewide mapping and reappraisal programs. As property tax legislation and technology evolved, so did the role of the DPA. Over the course of its forty-two year history the DPA has added the administration of the Property Tax Relief Program, the technical and professional training for state and county assessment personnel, the personal property program, the support and service of the computer assisted appraisal system, appraisal ratio studies and current value updating to those initial responsibilities.

With the election of Justin P. Wilson of Nashville, Tennessee, to the position of Comptroller of the Treasury on January 15, 2009, during a joint convention of both Houses of the 106th General Assembly, we mark another milestone in the history of the DPA. Mr. Wilson, who is the 34th Comptroller for the state, succeeds Mr. John G. Morgan who served as Comptroller since 1999.

We are proud of our past and we acknowledge the foundations laid over the past forty-two years that enable us to build the future and accomplish our mission to ensure superior administration of Tennessee's property tax system.



Comptroller of the Treasury, Division of Property Assessments.  
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[www.tn.gov/comptroller/pa/](http://www.tn.gov/comptroller/pa/)

