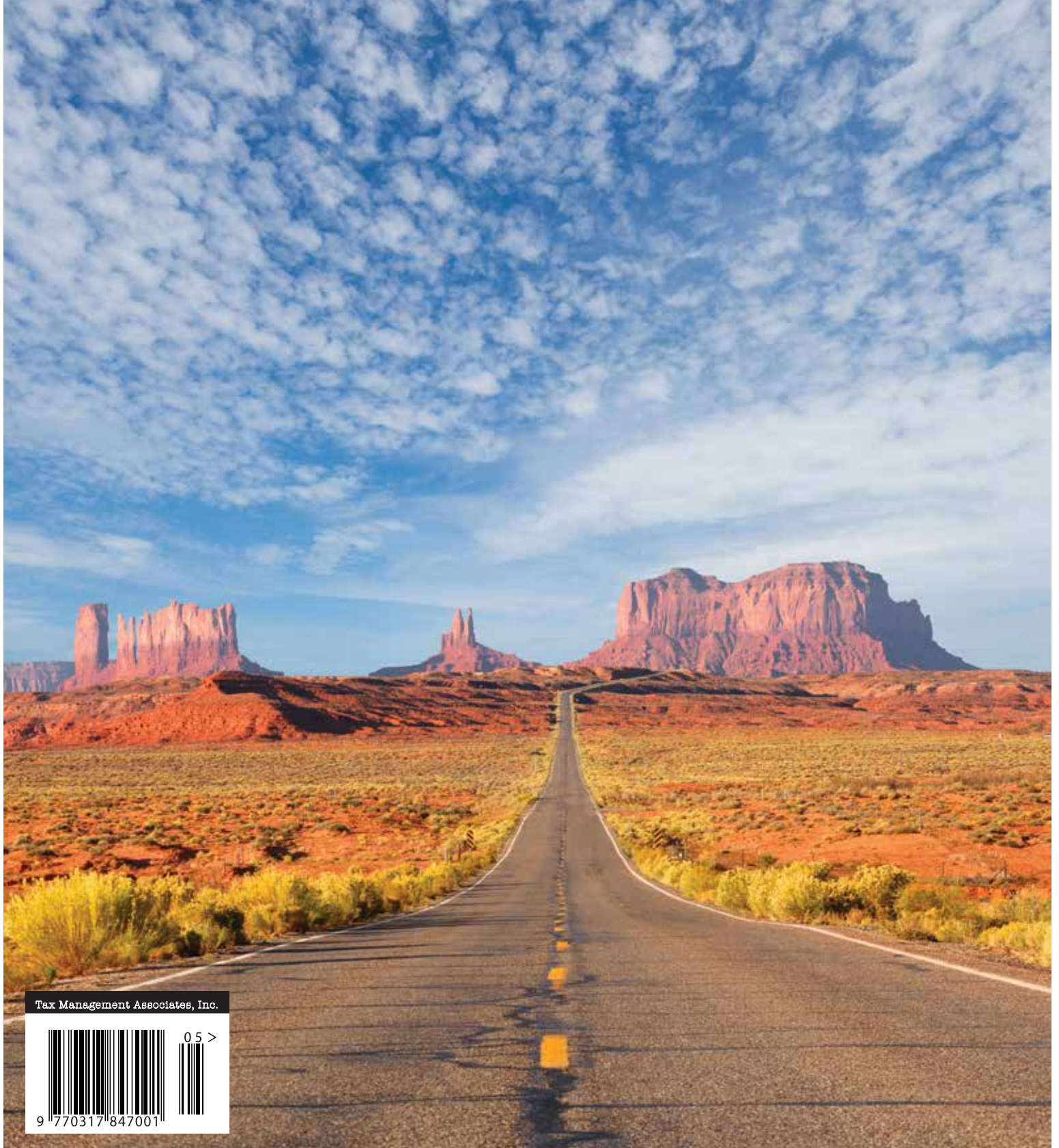


# Audit Report

The leading source of equity solutions for state and local government

Summer/Fall ● Issue 62



Tax Management Associates, Inc.



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# tma vantage

## *The Wonderful Story of Change* • by Chip Cooke

Who moved my cheese? Not that anyone really cares, but eventually you'll come to the realization that it was all for the best. Inertia, or "The ability to do nothing or remain unchanged," must be the actual definition of a lack of betterment (my words, not Webster's.) Whether it is inertia that occurs in your personal life or professional duties to your clients and partners – with 100% certainty, we can agree that this passive approach to life is a bad thing.

Call it what you like – outdated, stale, uninspiring or even just plain

boring, but we understand the status quo is an anchor around the neck of innovation and productivity. This lack of forward momentum and progress is something that we despise at TMA. Work smarter, not harder. For forty (40) years, we have tried our best to move forward faster than the rest. This year, we have designed the formula for and built the system that will define our core technology.

Almost eighteen (18) months ago, we decided to move our tax assessment technology into the future with the assistance of fresh views and the very

largest of US-based companies. This backbone would not only define our management practices internally going forward, this system would be available to all of our clients to share and collaborate in how state and local taxation is administered. We knew it could be better. We debated, we sometimes argued, and in the end, we finally designed something no one else possesses. After iteration on iteration, after meeting after meeting, we now firmly believe we have a truly portable internal and external solution, setting new standards for our true core competency.



Administration, audit, accounting, budgeting, and any number of other technical areas are addressed within **TMA Vantage**, the new SAAS offering from TMA. These systems not only work with existing clients, but also with those who feel comfortable with their own systems but appreciate the knowledge and experience of others across the country. We develop, we integrate, and we assist in your day-to-day administration of all things tax. You might say while we continue to lead the nation in audit related services, we have proudly returned to our roots as one of the

great technology innovators in the United States.

**TMA Vantage** went live in the third quarter of 2023 after almost eighteen (18) months of thought leadership. So much time went into building, coding, and testing to create the best audit management system in the nation. We integrate file life cycles over a myriad of different tax types and then integrate that information into reporting and financial information for the end user. If you have your own audit staff, great! If you have your own homestead or individual

personal property staff, wonderful! Our new software offering will make those better. All along, the vantage has belonged to us, but now we are excited to extend this view to you.



vantage

### so, how does it work?

Gain a competitive edge for the technology in your jurisdiction

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# ask vicky

Vicky Haire is a valuable part of our Sales Team. Meet our Indiana Sales Manager • by Jennifer Dixon

**How did you end up in this line of work?** I spent years in elected positions. The first was the Clark County Council, and I served two terms as Clark County Commissioner. I stepped away from politics and started my design business, but the old sleepy river town I lived in started to make a change. I decided to run for County Assessor and I won the election. I spent ten years in that position before coming to Tax Management Associates.

**What led you to TMA?** Larry Brandon! He will love seeing his name in print.

**Do you have a favorite memory from your time with TMA so far?** My first trip to Charlotte. It was not long after I was hired in November of 2016. That was when Larry still worked at TMA, so Larry and I went to my first end of the year sales meeting. I was introduced to the entire TMA gang at the Corporate Headquarters. We went to Chip Cooke's house for dinner that night and that is when I knew I made the perfect job choice for me!

**Has your extensive experience shaped your approach to sales?** Being an Assessor before, I have been in their seats. I've handled the business with business personal property and clients. Being an elected official has helped too. I was Secretary to the Indiana State Board of Assessors for several years which allowed people to know me in my role which helps sell.

**Describe your time as an Assessor.** Very educational and stressful!

**How have you adapted to changes in the industry throughout your career?** Wine!

**What is the most rewarding aspect of working in this field?** Helping Counties having fair and equitable Business Personal Property assessments and finding extra monies for those Counties.

**Favorite IAAO Conference that you have ever attended?** It was around 10 years ago in Sacramento, California. I volunteered for IAAO when I was the Assessor of Clark County. I worked a booth and got to meet with several different Assessors from different states. Learning how they assess was amazing!

**If you could have any famous person as your coworker, who would it be?** Tom Selleck because who wouldn't want to sit at the booth with him all day? He is aging excellently!

**Is there an achievement you are most proud of?** When I was voted Assessor of the Year for the State of Indiana. You earn that award through the votes of your peers, which makes it special. I was very pleased and proud!

**What's fun when you're not working?** I could go on forever with this answer, but my favorite thing is catching up with my family and friends. I love doing that while we are boating, while we are sitting and drinking some wine, or while we are dancing. I am happy with anything.

**Anything you are overly competitive about?** Really competitive about any task that I take on. Once I take it on I have to complete it and I have to be the very best at it.

**Do you have any hidden talents?** I have an eye for making things look very appealing to other people's eyes.

**Regarding your past profession as an interior designer, can you tell me the secret to designing the perfect space?** The ability to understand your client's needs and wants. Once you leave the job, they live or work in that space and you don't! By talking to clients and understanding their wants and needs, you can go in and make magic happen!

**What adventure changed your life?** Politics. Just being in the political field and running for office. In politics you have not just one or two bosses, you have hundreds of bosses that you answer to every day.

**City life or country life?** As the years go on I am becoming a lot more attached to the country. Even though I used to prefer the concrete jungle, I have learned to adapt to country life.

**One goal you have for this year?** Be the top salesperson for TMA! If I can get a couple more of these sales closed, then maybe I can do it!

**Seems like you are always up to something - do you ever unwind?** Not much, but when I do unwind, I enjoy a rainy day cuddled up with a good book, someone special, and a movie!

**What is the weirdest gift you have given?** I don't think that is something we should put in print!

**Do you have a go-to karaoke song?** Grandpa by The Judds. My grandparents raised me so it is just a really special song.

**What's the most interesting fact about yourself that most people don't know?** That I am very superstitious! My Grandma was when I was growing up. From rabbit's feet to broken mirrors - you name it. We walked around every crack in the sidewalk. If a black cat crossed the road, you had to throw a nickel out the right side window of the car! It was just part of our daily routine! I tried to get away from these things, but I find myself unable to at times.

**Is it true that you have the TMA logo on every piece of clothing you own?** Not every piece! But everyone always wants to know where I get my nice work clothes. They might be our best advertisement!



**iaao**

## *The Intersection of IAAO & TMA* • by Ryan Cavanah

The International Association of Assessing Officers (IAAO) plays a crucial role in our industry. The IAAO is recognized for setting standards and best practices for property taxation across all 50 states in the United States, the Caribbean, and multiple provinces in Canada. The IAAO mission is to ensure individuals are treated fairly and equitably in property taxation.

The IAAO is ever evolving with many

exciting things on the horizon. As the IAAO grows, it is becoming a leading authority on mass appraisal worldwide. So, how does the IAAO become the most trusted authority on mass appraisal? This involves a multi-level discussion, starting with partnerships. The IAAO is actively partnering with organizations in the United States and abroad. For instance, the IAAO is collaborating with TEGOVA (The European Group of Valuers' Associations) from the

European Union to assist them in updating their standards. The growing respect for IAAO's expertise in Europe is a promising development, leading to the formation of a new chapter in Europe where IAAO Standards and best practices will be implemented to ensure equity across the European Union.

Now that we have considered the significance of IAAO, let's work on understanding TMA. Tax Management

Associates (TMA), established in 1979, has dedicated decades to promoting fairness in property tax assessments for local governmental jurisdictions. TMA achieves this through tangible and intangible personal property tax verifications, hotel/motel tax verifications, sales and use tax verifications, and homestead verification processes. TMA possesses the expertise to audit and verify tax revenues collected by any government entity.

TMA's primary focus is conducting Tangible Personal Property audits for over 40 years. This type of property can get overlooked in day-to-day operations of a tax office. By providing these services, TMA has worked with over 550 state and local government clients in 23 states, performing nearly 300,000 audits resulting in approximately \$60 billion in previously unreported assets added to local tax rolls.

When you look at the big picture of a job in property tax assessment, it is our responsibility to value property using uniform valuation models while constantly testing these models. IAAO sets forth USPAP-compliant Standards to guide property assessors in modeling and conducting proper analysis, ensuring uniform and equitable valuation of all properties. Specifically in IAAO course 402, it is taught that "unless assessed values are equalized, jurisdictions will be penalized if they appraise property near market value and receive windfalls if they under appraised."

America's most trusted dictionary defines equitable as "dealing fairly and equally with all concerned." So, the question becomes, is proper modeling enough to ensure equity? For example: A taxing jurisdiction needs \$7,500,000 from their property tax in fiscal year 2024 to operate. The jurisdiction's breakdown is:

**Residential Property:** \$500,000,000  
**Commercial Property:** \$350,000,000  
**Personal Property:** \$150,000,000  
**Total Value:** \$1,000,000,000  
**Budget Needs:** \$7,500,000  
**Needed Millage Rate:** 7.50

In this jurisdiction, with a total property value of \$1 billion and a budget requirement of \$7.5 million, let us consider two neighboring homeowners, Dale and Brennan. These neighbors own comparable homes valued at \$250,000 each. They both receive property tax bills of \$1,875, suggesting fairness. However, despite the similar appraisal models and tax bills, it does not mean they are both necessarily paying their fair share.

While real property undergoes revaluation annually with visual inspections every four years, personal property verification remains challenging. Self-reporting makes it difficult to ensure accuracy, leading to non-filers. This is where TMA steps in. By verifying reported personal property and identifying non-reported assets, TMA certifies that everyone pays their fair share of property taxes. Over 40 years of operation, TMA has discovered anywhere from a 50% to 80% discovery rate in new areas resulting in additional tax dollars on the roll. For example:

**Residential Property:** \$500,000,000  
**Commercial Property:** \$350,000,000  
**Personal Property:** \$175,000,000  
**Total Value:** \$1,025,000,000  
**Budget Needs:** \$7,500,000  
**Needed Millage Rate:** 7.32

With the new 7.32 millage rate, Dale and Brennan are paying \$1,830/year in property tax. Although this is not a precipitous drop, this is a more equitable payment.

So where do IAAO and TMA intersect? The collaboration between IAAO and TMA extends beyond partnerships at conferences. Both organizations intersect in their commitment to promoting equity among taxpayers. IAAO recognizes the significance of personal property audits, as taught in course 501, ensuring a comprehensive review of all properties in a taxing jurisdiction. Course 501 also states: "An audit program, like many other functions of the Assessor's office, initially can be achieved or supplemented by an outside contractor." Additionally, IAAO offers workshops, such as 552 and 553, focused on teaching personal property auditing. Through these educational efforts, IAAO emphasizes the importance of personal property verification, not just as a revenue source but as an equalization tool for local tax bases.

**Ryan Cavanah is the IAAO Board of Directors Associate Member & a TMA Regional Sales Manager.**



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