

**State Tax Commission February 19, 2010 Tip**

**Topic: Reporting of Communication Towers and Assessment Procedures**



Dear STaCy,

I'm in the middle of processing my personal property roll and have just received a Personal Property Statement from the owner of a communication tower. Included with the statement was a cover letter that states that the owner has reported the "replacement cost new less depreciation" for the tower "based on Marshall & Swift, a nationally recognized cost estimator." The tower owner claims that this reporting method has been directed by the State Tax Commission. Is this true? I thought that I was responsible for appraising the property I am assessing.

Sincerely,  
Mr. Assessing for Values

Dear Mr. Values,

You are correct in stating that it is the assessor, and not the taxpayer, who has the responsibility for valuing communication towers located in your jurisdiction. The taxpayer is required to report the historic cost new, in the year that the tower was originally built, if that cost is known or is reasonably ascertainable. If the cost and acquisition year new cannot be reasonably ascertained, the tower owner must comply with the alternative reporting procedure outlined in the Instructions for Page 1, Line 6 of the Personal Property Statement. **These alternative reporting procedures do not require, or permit, the owner to report their own conclusion of value.**

An assessor is not permitted to use an appraisal conclusion presented by the taxpayer. Instead, you must make an independent appraisal of the tower. Further, if the assessor has obtained accurate cost information from the previous owner of the tower, there is typically no need to use information obtained from the new owner, unless it appears that there has been a physical change in the tower. In cases where reliable costs have already been obtained, the assessor should rely on those costs and apply them to the communication tower valuation multipliers recommended by the State Tax Commission, while giving due consideration to the comments contained in State Tax Commission Bulletin 9 of 2008.

If you have questions on the correct valuation procedure for communication towers, you may contact Tim Schnelle by phone at (517) 373-6262.

Sincerely,  
STaCy