



50th Annual  
Wichita Property Tax Conference  
July 24 – July 28, 2022

**Unit Valuation, Is It Still  
Relevant?**

# Your Panelist

- Linda Blacklock, Oregon Department of Revenue, Manager of Central Assessment Appraisal Program
- Mike Connolly, North Carolina Department of Revenue, Assistant Director of Local Government Division
- Bob Morgan, Union Pacific, Property Tax Director
- Jim Mulroy, EY, Senior Manager (Boston)
- Shawn Pittman, EY, Senior Manager (Charlotte) (moderator)

# Linda Blacklock

- Linda is the Manager of the Central Assessment Appraisal Program for the Oregon Department of Revenue. She has oversight of a team of appraisers that do the annual valuations of transportation, communication and energy companies for ad valorem taxation.
- Linda has been in state and local government assessment for 34 years. Although no longer a member, Linda has served several years on the Wichita Conference Planning Committee and wishes to extend her congratulations to The Conference for reaching this 50-year milestone!

# Michael Connolly

- Michael is currently the Assistant Director for the North Carolina Department of Revenue Local Government Division. Prior to this position, he was the manager of the Public Service Company Section where he was responsible for overseeing all appraisals of Public Service Companies, allocation of values to the taxing districts and the annual Sales Assessment Ratio Study for all 100 counties in NC.
- Michael holds a Bachelor of Science Degree in Textile Materials Science from North Carolina State University. Prior to Michael's current role at the North Carolina Department of Revenue, he worked as an auditor, auditing Business Personal Property taxes and a real estate appraiser for two local North Carolina Counties.
- Michael is a past president of the National Conference of Unit Value States (NCUVS) and Southern Association of State Property Tax Administrators (SASPTA).

# Jim Mulroy

- Jim is a Senior Manager for Ernst & Young's Property Tax practice and is based in Boston. Jim has more than 25 years of property tax experience working with large multi-state companies to help manage their property taxes.
- Prior to joining Ernst & Young LLP, Jim worked for Thomson Reuters, Deloitte Tax, Arthur Andersen and KPMG as a Property Tax Consultant. Prior to that, he worked as a commercial real estate appraiser and managed a local assessor office. Jim has experience with regulated and unrelated companies in the telecommunications, transportation, public utilities and pipeline industries.
- Jim has a Master of Business Administration in Finance from Babson College and a Bachelor of Arts in Economics from Tufts University. He is a Certified Member of the Institute for Professionals in Taxation

# Robert A. Morgan

- Bob is General Director - Property Taxes at Union Pacific Railroad Company in Omaha, Nebraska.
- Bob received a BS in Business Administration from Indiana State University and a Masters of Business Administration from Indiana University. He is active in a number of state and national taxpayer associations and is a member of IAAO.

# Panelist Discussion Question

- Does state assessed always equate to unitary assessment?

# Unit Value is

“... one in which the assessed value is arrived at by use of ... an appraisal of an integrated property as a whole without reference to the values of any of its component parts.”

Appraisal of Railroad and Other Public Utility Property for Ad Valorem Tax Purposes, Report of the Committee on Unit Valuation (National Association of Tax Administrators, 1954 at p. 9)

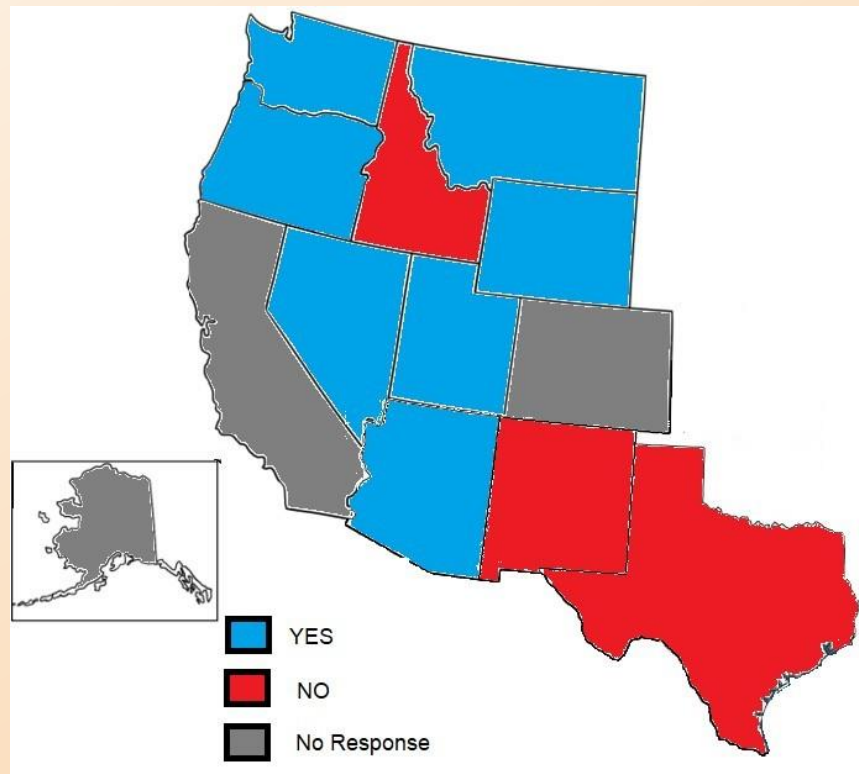


# Does state assessed always equate to unitary assessment?

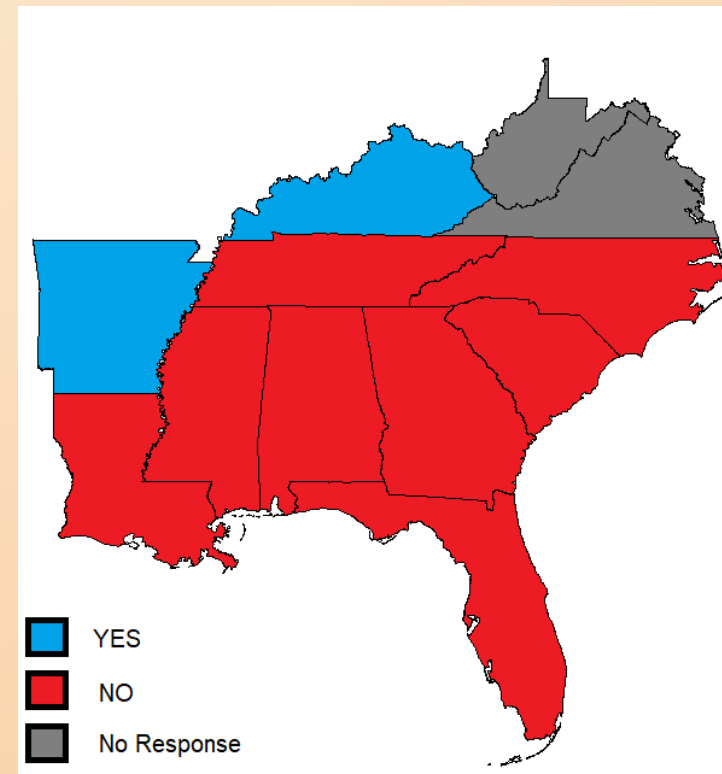
1. Is dependent on each individual jurisdiction tax laws and juridical precedence but Oregon has the authority to use unitary assessment for any company within the statutory definition of central assessment
2. North Carolina uses a cost approach by location for Mobile Phone Companies
3. Florida Counties use the Unitary Approach
4. Indiana and Ohio uses Cost for the unit

# Survey: Does your state use the Unit Appraisal Methodology for Airlines Companies?

WSATA

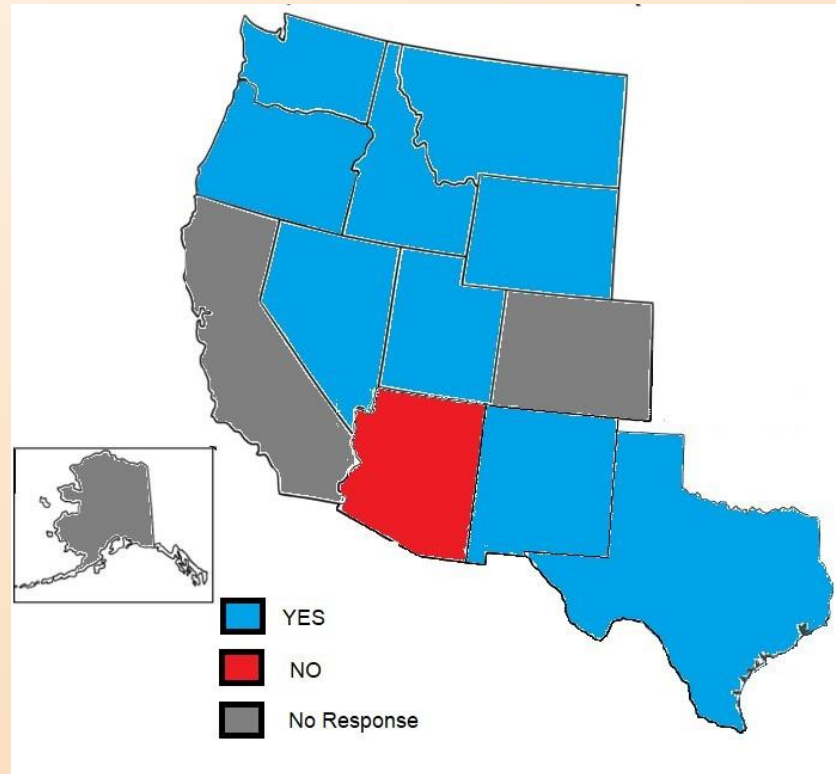


SASPTA

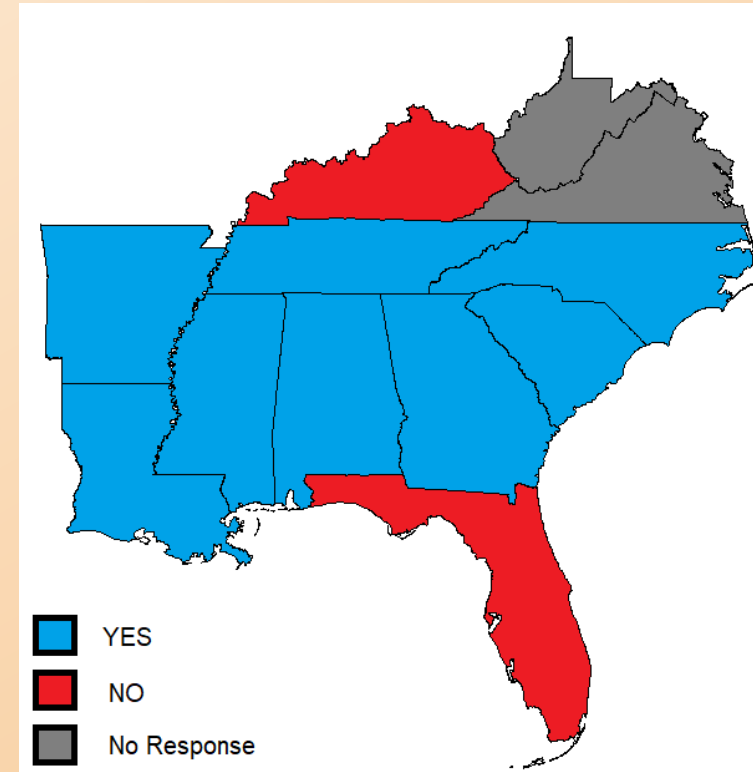


# Survey: Does your state use the Unit Appraisal Methodology for Landlines Companies?

WSATA

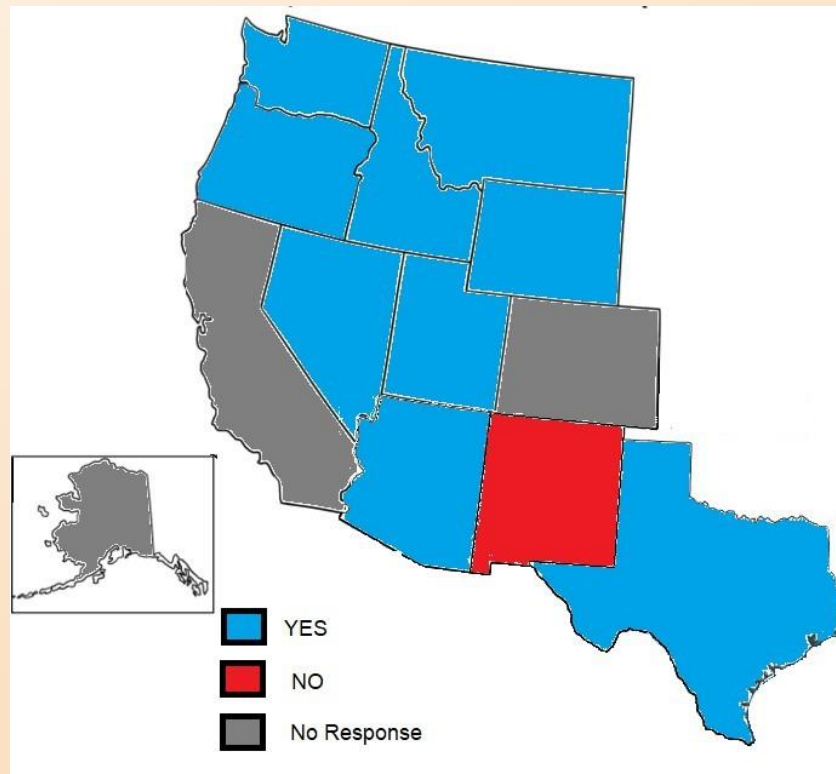


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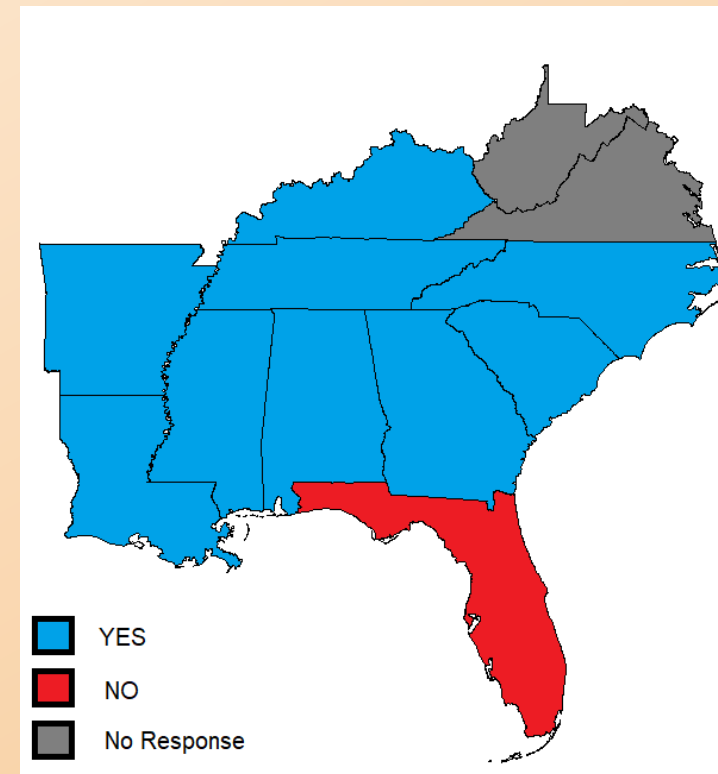


# Survey: Does your state use the Unit Appraisal Methodology for Pipeline and Gas Companies?

WSATA

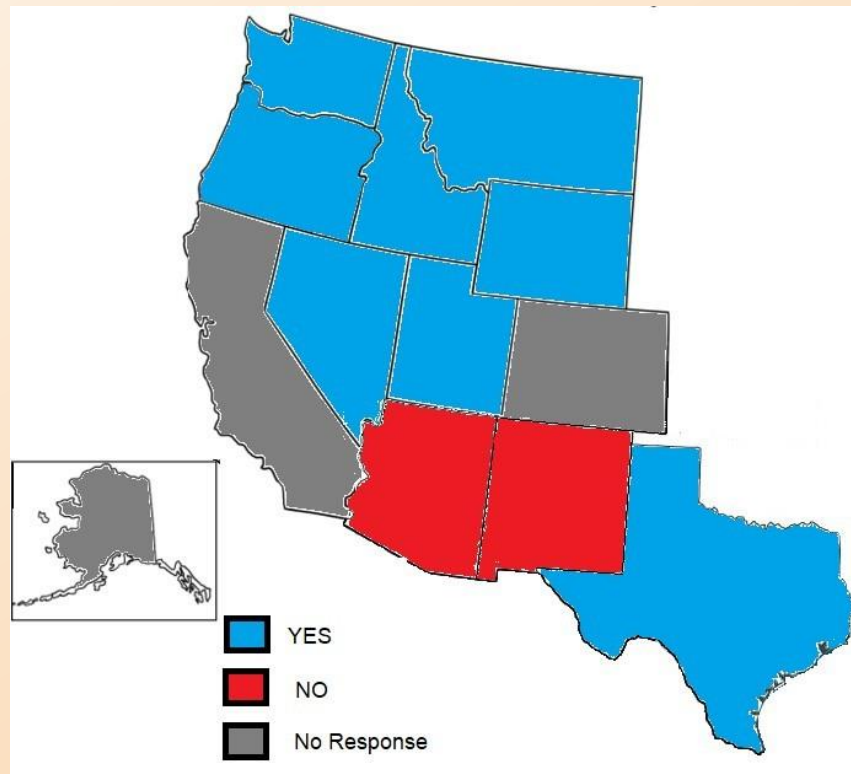


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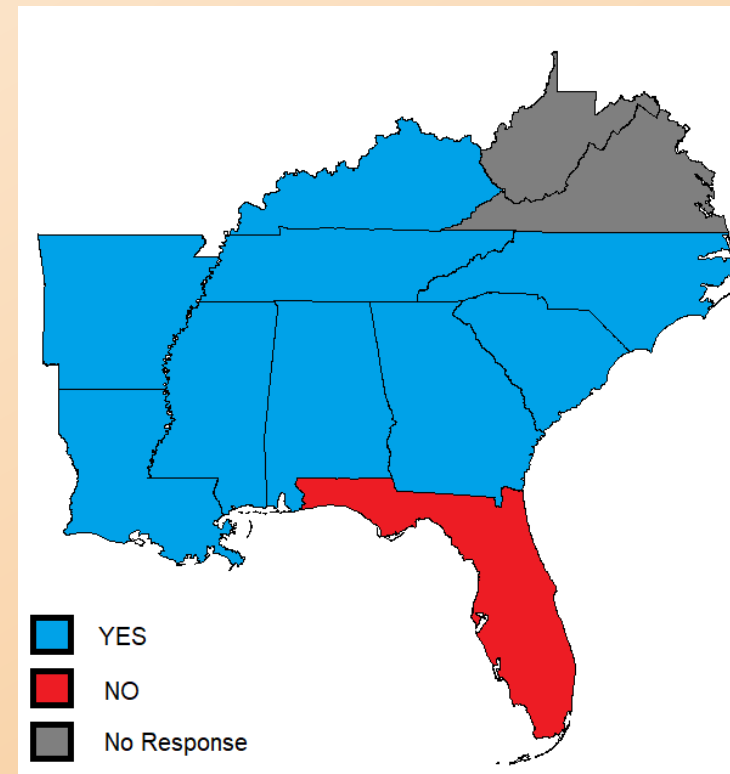


# Survey: Does your state use the Unit Appraisal Methodology for Power Companies?

WSATA

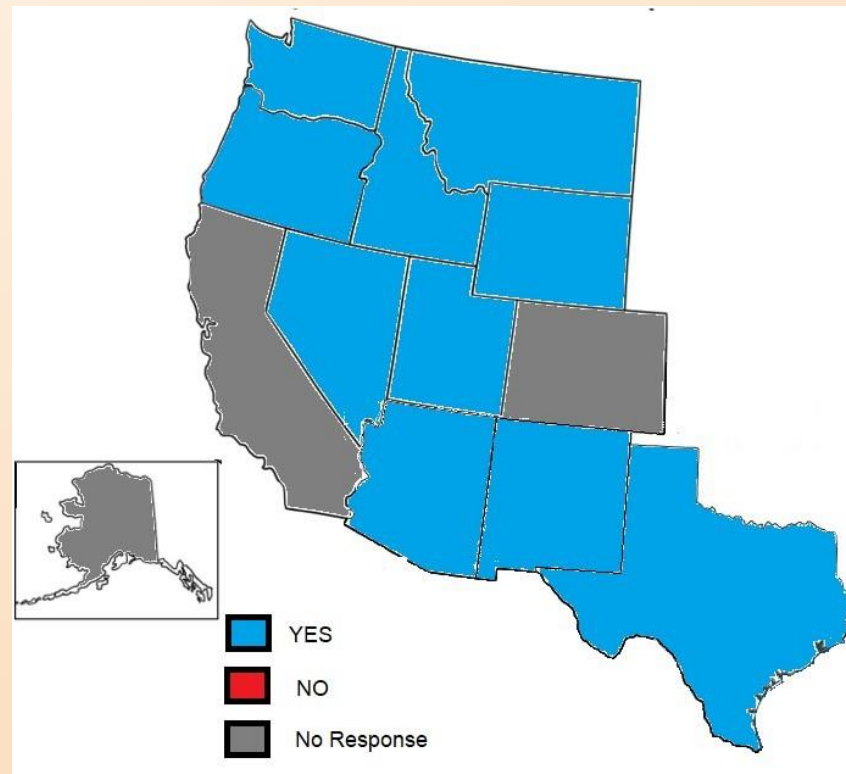


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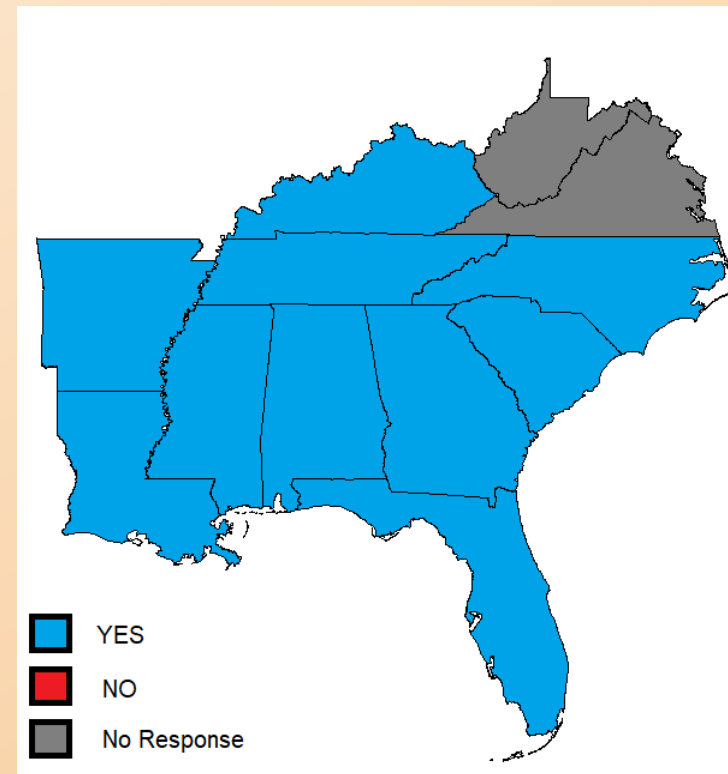


# Survey: Does your state use the Unit Appraisal Methodology for Railroad Companies?

## WSATA

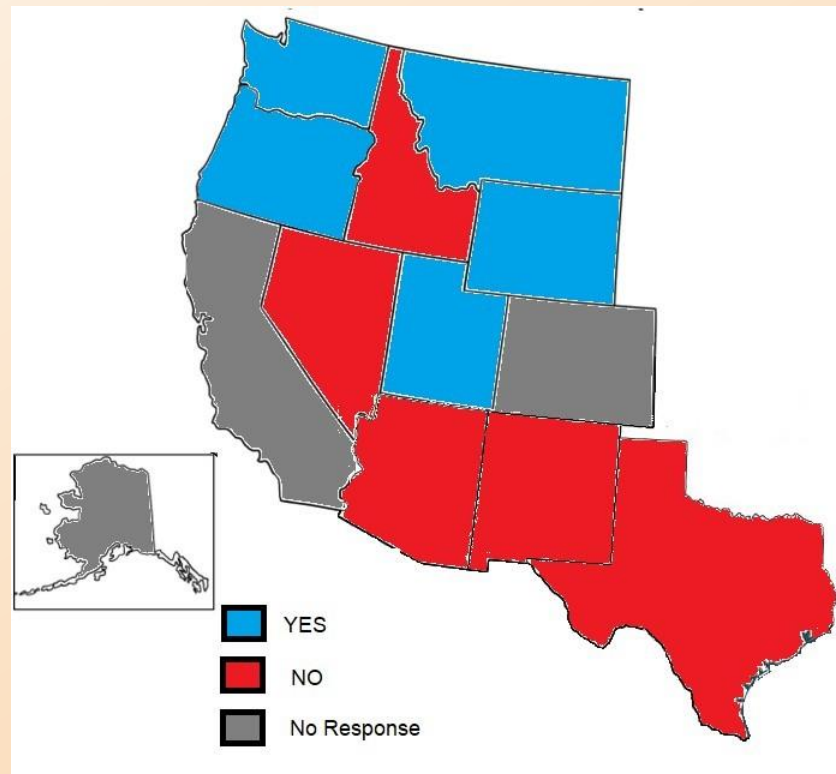


## SASPTA

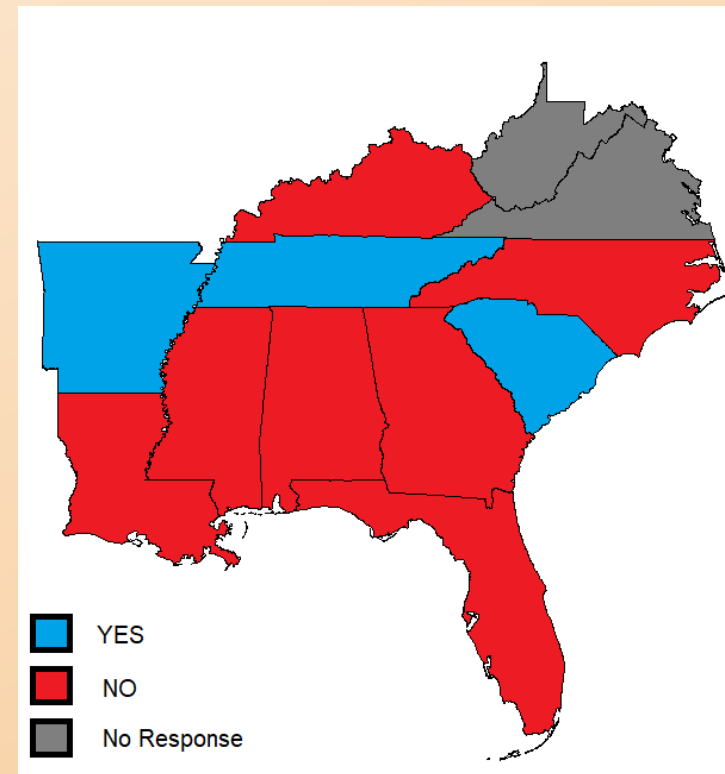


# Survey: Does your state use the Unit Appraisal Methodology for Wireless Companies?

WSATA



SASPTA



# Panelist Discussion Question

- What are the advantages of the unitary approach?



# Advantages of Unitary Assessment Discussion

1. Taxpayer rendition burden (if centrally assessed)
2. Defines who and what is being assessed
3. Uses Commonly Accepted Appraisal Principles
4. Draws from the financial statements of the entity being assessed (Best for regulated taxpayers that have company specific F/S)
5. Reduces disputes between local jurisdictions
  - Again, ultimately depends on applicable tax code, judicial precedence, and authoritative guidance

# Panelist Discussion Question

- What are the disadvantages of the unitary approach?

# What should the unit include and how should non-taxable be removed?

1. Enterprise value/business value
2. Licensed vehicles (where tax is paid separately)
3. Locally assessed property
4. Intangibles
5. Removing non-taxables
  - Enterprise/Business Value
  - Pollution Control
  - Software
    - Dependent of applicable tax code, judicial precedence, and authoritative guidance

# Panelist Discussion Question

- Do you believe the Unit Value Approach is Still
- Relevant?

**Do you believe the Unit Value is still a Valuable means of property tax valuation?**

# Communication (Landline & Wireless) Companies

## Oregon

Type	Central	Methodology
Landline	State	Unit
Wireless	State	Unit
Cable/Satellite	State	Unit
Internet	State	Unit

## North Carolina

Type	Central	Methodology
Landline	State	Unit
Wireless	State	Cost
Cable/Satellite	Local	Cost
Internet	Local	Cost

# Fuel (Pipeline & Gas) Companies

## Oregon

Type	Central	Methodology
Pipeline	State	Unit
Gas	State	Unit

## North Carolina

Type	Central	Methodology
Pipeline	State	Unit
Gas	State	Unit

# Power Companies

## Oregon

Type	Central	Methodology
Coal/Gas/Nuclear	State	Unit
Solar	State	Unit
Wind	State	Unit

## North Carolina

Type	Central	Methodology
Coal/Gas/Nuclear	State	Unit
Solar	Depends	Cost
Wind	Depends	Cost

- Oregon – does not have Nuclear with in the State
- North Carolina – only assesses power companies that sell to public, everything else is local



# Transportation Companies

## Oregon

Type	Central	Methodology
Railroad	State	Unit
Airline	State	Unit
Bus/Motor Freight	N/A	N/A

## North Carolina

Type	Central	Methodology
Railroad	State	Unit
Airline	State	Cost
Bus/Motor Freight	Depends	Cost

- Oregon – Motor Freight & Busses are licensed and not subject to property tax
  - North Carolina – Statutes dictate if state assessed or local

**Questions?**

# ***Thank You***

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