



Workshop 853 – PPS Case Study Review Workshop

Course Description

This workshop is designed to provide a formal, systematic, comprehensive program of study for those who desire to obtain the Personal Property Specialist (PPS) designation. The PPS designation is one of the six internationally recognized designations offered by the IAAO and represents the highest level of achievement in the field. The objectives of IAAO's professional designation program are to raise the standards of the profession, to attain recognition of the assessment profession by government authorities and the public, and to grant designated members recognition as qualified, objective, unbiased appraisers and administrators of systems for ad valorem tax purposes. The purpose of the PPS designation is to recognize professionalism and competency in the valuation of personal property for tax purposes.

Objectives

Upon completion of Chapter 1, the student should be able to:

- Provide verbal feedback regarding which topics you are most interested in learning during the week and your goals for the workshop.
- Describe the requirements for the IAAO PPS appraisal designation.

Upon completion of Chapter 2, the student should be able to:

- Select those components that accurately reflect the history and theory covered in the workshop given various possible components of the history and theory of taxation.
- Select the correct relationship that identifies an ad valorem tax given various possible relationships between property and tax.
- Select the characteristics that are true of the property tax.
- Calculate the requested variable given various sets of data relating to the calculation of taxes due.
- Select the best definition from several possibilities given the terms “real property” and “personal property.”
- List those rights associated with ownership of property known as the bundle of rights.
- Identify examples or characteristics of real property and personal property.
- Identify the characteristics of tangible property versus intangible property given various examples.
- Categorize inventories, fixed assets, leasehold improvements, or intangible property given a list of different examples of personal property.
- Identify the duties and responsibilities of the assessor.
- Match a descriptive example of each of the eight functions of the assessor with a given list.
- Determine a property’s situs, given a scenario and a list of factors.
- Match accounting terms with a description.
- Identify depreciation concepts related to market value and to accounting principles.

- Calculate depreciation using straight-line, declining balance, and sum-of-years'-digits methods given appropriate asset data.
- Determine the value of inventory using the first in, first out (FIFO) method and last in, first out (LIFO) method given appropriate inventory information.
- Describe the general definition of value and how it applies to appraising property for tax purposes.
- Match the description of a given value type appropriate to value in use and value in exchange.
- Identify which description belongs with the terms "market value" and "market price."
- Select those components that accurately reflect the definition of market value required in the assessment of property.
- State the principle of value that best relates to a given scenario.
- List the steps in the valuation (assessment) process.
- Calculate a trade-level adjustment given an example.
- Determine which of the three approaches to value would lend itself to various valuation scenarios.
- Select the valuation guideline(s) that could be used to verify an assessment.
- Apply the unit cost method to determine an estimated value of an integrated system of assets.
- Select the methods that are used in the discovery and appraisal processes given appropriate valuation guidelines.
- List three problems with the development and use of valuation guidelines and standards.
- Calculate resources needed for a project.

Upon completion of Chapter 3, the student should be able to:

- Determine the basis of value in the income approach.
- Apply capitalization techniques, particularly the gross income multiplier and the straight-line capitalization methods to machinery and equipment.
- Develop and apply a gross income multiplier.
- Develop and apply a straight-line capitalization rate.
- Determine what types of income to capitalize and when capitalization is appropriate.

Upon completion of Chapter 4, the student should be able to:

- Determine the basis of value in the sales comparison approach.
- Estimate value in the comparable sales approach and determine the type of value.
- Make adjustments to prices for comparable sales.

Upon completion of Chapter 5, the student should be able to:

- Determine the basis of value in the cost approach.
- Distinguish the different forms of cost, particularly replacement and reproduction cost new.
- Estimate replacement and reproduction costs.
- Identify the different forms of depreciation: physical deterioration, functional obsolescence, and economic obsolescence. Also, determine whether these are curable or incurable.
- Appraise property using the cost approach.
- Measure the various forms of depreciation.

Timetable

Topic	Time Requirement	Day Covered
Chapter 1: Introduction		
Introduction and Class Orientation	30 Minutes	Day One
PPS Requirements	30 Minutes	Day One
Section 2: Overview		
Taxation Overview	60 Minutes	Day One
Personal Property Overview	60 Minutes	Day One
Accounting Overview	25 Minutes	Day One
Appraisal Overview	95 Minutes	Day One
Chapter 3: The Income Approach		
Income Approach Defined	10 Minutes	Day One
Gross Income Multiplier	25 Minutes	Day One
Capitalization of Net Income	35 Minutes	Day One
Chapter 4: The Sales Comparison Approach		
Sales Comparison Approach Defined	5 Minutes	Day One
Principle of Substitution	15 Minutes	Day One
Development of Adjustment	30 Minutes	Day One
Applying the Sales Comparison Approach	45 Minutes	Day Two
Chapter 5: The Cost Approach		
Cost Approach Defined	10 Minutes	Day Two
Cost	30 Minutes	Day Two
RCN	30 Minutes	Day Two
Depreciation	45 Minutes	Day Two
Applying the Cost Approach	140 Minutes	Day Two
Practice Exam	240 Minutes	Days Two & Three
Practice Exam Review	150 Minutes	Day Three