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To: County Assessors & Contractors

From: Dan Cypert

Date: December 17, 2015

Subject: Updated Communication Tower Valuation Guidelines

This letter will serve as the Assessment Coordination Department's recommended valuation guidelines for communication towers (i.e. cell towers). The majority of the communication towers located in Arkansas should be assessed at the County level. There are some towers that are being assessed by the Public Service Commission, but there are very few and they will be identified on the PSC certificates. Please use the following valuation guidelines for all towers assessed at the local County level:

TOWERS – all towers should be assessed as Real Estate using the cost information provided by Marshall & Swift. The towers should be on a 40-year depreciation schedule using the effective age of the tower.

LAND – the land that the tower is located on should be assessed as commercial property to recognize the income stream that is being produced by the ground lease, please use the following guidelines when valuing the land. If the land that the tower is located on is already being appraised as commercial property then no adjustments are needed. However, if the land that the tower is located on is not being appraised as commercial property then a portion of the land needs to be allocated as commercial use and appraised as such. ACD recommends allocating 0.25 acre for the tower site and appraising the site in one of the following methods. (1) Appraise the tower site using the same commercial land rates that are being used for other commercial properties in the same area. (2) Develop a tower site rate that can be utilized for all tower sites located with the county.

If you have any additional questions and/or concerns regarding these guidelines, please contact Dan Cypert at the Assessment Coordination Department either by phone (501-324-9108) or email (dan.cypert@acd.state.ar.us).