The Appraisal of Easements Under the State Rule

Separating Fact From Fiction

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Everything You Thought You Knew About Appraising Easements Is Wrong

Appraising easements is never easy. However difficult it may be to appraise them, it is immensely more complex when civil law requires that a real estate appraiser use what is called the State Rule (i.e., the Value of Take Plus Damages Rule) of compensation for possible acquisition of easements by eminent domain. Real estate appraisers, lawyers, judges, juries, public administrators, and right-of-way agents often do not recognize that the appraised value of an easement under the State Rule of just compensation is more of a legal fiction than a reflection of actual market value.[1]

Defending such a fictional value can be a difficult, if not impossible, task in an appraisal report or a negotiated acquisition, let alone in a court of law.

The premise of this paper is that the two rules for appraising easements in the public sector have become so intermingled that the different problems they were intended to solve and methods for solving them have become lost and confused. One method the Federal Rule, is based more on fact; the other, the State Rule, on a legal fiction.

What has happened over time is that in those jurisdictions where the State Rule prevails, the compensation for easements has become mistaken for market value. Fiction has replaced fact. Law and public policy has become intertwined with appraisal in a way that make them indistinguishable from one another. These siamese twins of confusion must be split back into two so that they are not mistaken for one another.

To do this requires what is called a paradigm shift. Paradigm is the term used in science for a taken for granted framework and set of methods that define a problem and its solution.[2] A paradigm is resistant to change because there are no other successful methods identified for solving problems, or it is supported by law. The institutionalization of the State Rule requires a radical shift from standardized appraisal concepts and methods. This shift may be called a forensic appraisal perspective. At first glance, some appraisers may view any shift from conventional to forensic appraisal methods as a compromise to the integrity of professional appraisal standards. However, armed with a forensic appraisal framework it can be seen that the integrity of the appraisal process is best preserved by separating fiction from fact in the easement appraisal process.

EXCEPTIONS ARE THE (STATE) RULE

A forensic appraiser may recognize that to appraise easements by the State Rule will require a departure from generally accepted professional standards of appraisal practice. Such standards proscribe that an appraiser must:

1. communicate each analysis, opinion, and conclusion in a manner that is not misleading, and,
2. must be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal.[3]

Armed with a forensic perspective, it will become apparent that appraisers must "mislead" in their opinion of the market value of an easement, depart from accepted appraisal methods, and deviate from the conventional definition of market value in order to conform to the provisions of the State Rule of just compensation in appraising easements. Moreover, a forensic perspective on the appraisal of easements will help in understanding that the usual admonitions to appraisers to avoid speculation, conjecture, and the contriving of values must be relaxed when appraising easements under the State Rule because the appraisal must often estimate hypothetical compensation where there may be market evidence to the contrary or no evidence at all.

THE GOLDEN RULE OF EASEMENT APPRAISAL: Those Who Know the Rules Know the Value of the Gold

Knowledge of the unique rules of estimating just compensation in the appraisal of easements for acquisition by a public or quasi-public entity under eminent domain law is more essential than in valuing almost any other kind of property right. The reason for this is that political jurisdictions have differing rules for calculating compensation for easements. This can result in negligible or substantial awards of compensation on the very same property, depending on which of the rules apply. There is a frequent misconception that when appraising easements by the two major legal computational rules, both result in an indication of the reasonably probable loss caused by an easement, in much the same way that the three approaches to appraisal (the cost, comparison, and income approaches) often arrive at similar indications of value in the appraisal of a full acquisition. This is an incorrect notion which must be dispelled along with such beliefs as the tooth fairy.

As stated earlier, two general rules predominate the appraisal of easements for public acquisitions, with minor variations according to each political jurisdiction: the Before and After Rule (the Federal Rule) and the Value of the Take Plus Damages Rule (the State Rule). These two general rules apply to partial acquisitions of both full ownership rights and easement rights.

The Federal Rule is essentially a deduction method whereby the value of a whole property is appraised before the imposition of an easement and then valued again after the easement. The difference between these two values is estimated just compensation. Conversely, the State Rule is a summation procedure which adds up the loss in value caused by the easement taking plus any damages to the remainder parcel. Limitations on space and time do not allow an expanded discussion on the differences between these two rules in this brief paper, but the reader is referred to Note [4].

SOPHISTRY RATHER THAN EQUITY

No less a legal authority on eminent domain law than Nichols criticizes the Take Plus Damages Rule of just compensation as resulting "more in sophistry than equity."[5] Some of the reasons that the State Rule appears to be more alchemy than science is that

1. it can result in double damages to the remainder of the property;
2. it can result in substantial value for the easement taking where the Before and After Approach may be zero or nominal;
3. in some jurisdictions, special benefits can offset only damages and not the value of the easement taken;
4. in some jurisdictions, a partial taking is always valued as part of the whole even if the easement strip taken is not similarly conditioned (e.g. setback zone, coincident easement, flood zone, etc.).

In all of the above cases, the estimated compensation will exceed the probable actual market value of the loss caused by an easement. The reasons for this disparity between what the market reflects and what the law provides is not always apparent if one concentrates merely on the mechanics of the two rules rather than on the different overall conceptual and computational formats of what is legally compensable. In order to unravel the appraisal of easements under the State Rule, one must first understand the intended purpose behind the two adumbrated[6] rules.

The major implied difference between the Federal Rule and State Rule of compensation in the appraisal of easements is that the State Rule was intended to provide compensation, or considerably more compensation, than the Federal Rule provided, especially in cases where the appraised value was zero or nominal. The intent of the eminent domain law is to (1) avoid the taking of private property for public use without the payment of just compensation and (2) to avoid an appearance of unfairness where no fair market value is otherwise indicated for the taking of private property.[7] The State Rule was apparently devised to provide compensation for acquisition of property where none otherwise was indicated, such as in the specific case of nominally valued easements. In other words, the State Rule, in part, often estimates what might be called fictional or hypothetical compensation rather than market value. However, this so-called hypothetical compensation is no less legal, real, or consequential to landowners, public and quasi-public entities, or taxpayers.

The current state of the art of easement appraisal under the State Rule is that the blind are often leading the blind. The mixing up of market value with public compensation policy for easements under the State Rule often goes unrecognized by appraisers, lawyers, property owners, and right-of-way agents. The reality that the State Rule is oblivious to actual market compensation for easements may come as a sort of cognitive shock even to experienced real estate appraisers who have been led to believe otherwise, but have always been unable to articulate their uneasiness with the State Rule. This reality becomes more apparent when an appraiser takes on assignments of nominal acquisitions such as deep tunnel easements. Easement appraisal reports often refer to a definition of market value and appraisal standards that have only partial application to the appraisal of such fictional legal compensation. Public and semipublic agency clients and appraisal reviewers, who are often equally in the dark, only compound the confusion by mandating that such appraisal reports are unacceptable without the customary definitions of market value and invocation of professional appraisal standards being included. Lawyers for public agencies and quasi-public utilities, who most often view easement appraisals as entirely subjective and abstract work products that are indefensible in court, may not understand that it is the combined effect of the law itself (i.e., State Rule, Evidence Code, and case law) that unavoidably creates fictional compensation supported only by so-called expert opinion coupled with a thin pretense of market analysis. Right-of-way agents who do not understand the difference between market and legal compensation concepts for easements are less likely to effectuate a successful negotiation. And property owners, who often do not understand what an easement is in the first place, may be more confused due to the lack of an educational process in the negotiations, coupled with arcane and "bad faith" disclosure rules that often do not allow release of the appraisal report to educate the landowner.

EXCURSUS: A LITMUS TEST OF THE TWO RULES

Let us take, as an example, the acquisition appraisal of a 5-acre subsurface pipeline easement from a larger 60-acre unimproved parcel of land drawn from an actual case known to the author. The appraised larger property is zoned for commercial/industrial uses and is located on the corner of a busy highway intersection in an area transitioning from rural to urban land uses. The value of unim-

proved commercial/industrial land values in the market area is about $22,500 per acre or approximately $.50 per square feet.

The proposed easement taking will form a 240 ft.-wide right of way cutting across the southeast corner of the property in a diagonal alignment which will leave two bifurcated remainders: a 5-acre triangular-shaped remainder on the southeast corner and a 50-acre remainder on the balance of the property. The actual percentage of land area encumbered by the easement is 8.33 percent. The proposed subsurface pipeline will allow the interim use of the ground surface by the landowner for nonintensive development such as parking lots, storage, small portable buildings, and landscaping. There is no actual severance of the two remainders because right of access across the ground surface of the easement is reserved to the landowner. The public entity, however, reserves a dormant right of surface entry to excavate the ground surface to repair, replace, and maintain its underground pipe structure in the remote and uncertain future.

Coincidentally, the landowner has prepared a land use plan on the appraised property which shows that the easement strip has been designed around so that the property loses no actual building coverage or floor area ratio. Because there is little perceptible impact created by the easement to the ultimate highest and best use of the property, the market value of the loss sustained by the property is reasoned to be small and so remote in time as not to effect the economic life of the proposed improvements. Comparable sales of whole properties burdened by similar subsurface easements confirms little to no perceptible impact on value.

In such a case as described above, it is likely that there will be a large divergence in how the diminution in value to the property caused by the easement will be treated under the two differing legal rules of compensation.

The Federal Rule is likely to find damages to be nominal or minimal because when measured on a before-and-after basis, the effects of the easement are not material. In my experience, the typical appraisal of such an easement will find a 5 percent to 10 percent diminution in value to the affected easement area, if any, because paired sales data often show no recognition of easements as impacting value. No severance damages would be indicated.

On the other hand, the typical appraisal of the above-described easement by the State Rule will use a diminution factor of 50 percent to the area taken for a shared use easement based on an intuitive legal rights framework used by many appraisers something like that shown below.

EASEMENT RIGHTS BALANCE SHEET
(Not Considering Effects on Remainder Parcel)

Extent of Encumbrance on Land Use	Interference with Owner's Private Usage	Change in Highest Use/ Larger Parcel	Intuitive Percent of Fee Value
Negligible Restrictions	None, ephemeral or occasional	No change to highest use or larger parcel	Nominal to 10%
Variable Restrictions	Physical joint use of surface	Variable change to highest use and/or larger parcel	50% more or less
Exclusive Restrictions	Exclusion of owners private use	Substantial change in highest use; severance from larger parcel	90% to 100% +

Absent direct market evidence of the diminution caused by an easement, the only other practical alternative is to use a legal rights accounting methodology which tabulates the bundle of property rights held by the landowner and the easement holder along the lines shown above.

Severance damages are typically added under the State Rule because there is a line item for them it in the computational format, and there frequently is less empirical evidence required to establish damages beyond the opinion of an appraisal expert. Although damage estimates may vary widely, if it is concluded that a typical appraiser will find the remainder is damaged by only 5 percent the resulting added value can be considerable as shown in the over-simplified table below.[8]

Federal Rule (Before and After Rule)		State Rule (Value of Take Plus Damages Rule)	
Value of Property Before	$1,350,000	Value of Taking as Part of Whole (@50% of fee value)	$56,250
Taking Value of Remainder	$1,338,750	Plus Damages to Remainder (@5% of fee value)	$61,875
		Less Special Benefits (None)	$0
Property, After Taking			
Difference (Just Compensation)	$11,250	Difference (Just Compensation)	$118,125
Absolute Difference in Rules	**$106,875**	**Percent Difference in Rules**	**+950%**

As shown above, the differences in resulting compensation under the two rules can be exponential in magnitude. These differences legitimately conform to the rules and do not necessarily reflect advocacy or incompetence.

THE PARADIGM SHIFT OF THE STATE RULE

The two compensation rules are diametrically opposite frameworks for understanding and measuring the appraisal of easements. Conventional opinion asserts that although the two methods differ, it is important to note that, in any given case, if both methods are applied correctly, they will yield the same result. It is the contention of this article that generally this is not the case. Any one who thinks otherwise ought to follow what is happening in eminent domain courts in jurisdictions where the State Rule prevails. The two rules may render approximately similar valuations for partial fee-simple acquisitions, but when it comes to easements, the differences can be remarkable.

The Before and After Rule is the more empirical of the two rules and requires a more rigorous analysis of market data to establish any value diminution caused by an easement. The underlying deductive logic employed by this rule requires that any hypothesized change to the highest use of a property as a consequence of the imposition of an easement be proven or rejected from direct market evidence of whole property sales. The implied definition of market value adhered to in this

rule is the conventional definition used for eminent domain purposes of the highest price between willing, knowledgeable, and unrelated parties without any unusual compulsion. The unitary parcel appraised under the Before and After Rule is the larger parcel having a unity of title, boundaries, and use. The calculation of the estimated compensation under the Before and After Rule relies on global or aggregated data rather than itemized data. Use of the State Rule may not be an accurate measure of any loss to the interim use of a property.

On the other hand, the appraisal of easements under the State Rule tends to assume that the highest use of the property will be impacted and does not necessarily require direct proof from the market. The reason an impact on highest use or marketability is assumed is to avoid zero compensation. Neither does the State rule require as rigorous an empirical measure of diminution as does the Before and After Rule. The formula of the State Rule, or Value of Take Plus Damages Rule, also tends to allow more latitude on finding the value of the easement strip as a separate smaller parcel rather than the impacts on the Larger Parcel measured under the Before and After Rule. As Nichols states, the "before and after rule'... is preferred by most authorities, since it eliminates the difficulty of trying to evaluate a separate piece of land."[9] The State Rule relies on an itemized format rather than aggregated data to estimate value. And because the State Rule tends to value what has been called fictional or hypothetical compensation in this paper, it does not entirely adhere to the conventional definition of market value found in most eminent domain codes. For the above reasons, many jurisdictions have an alternate definition of market value similar to the following: "The fair market value of property for which there is no relevant market is its value on the date of valuation as determined by any method of valuation that is just and equitable."[10]

A table showing the conceptual differences between the two rules is shown at the bottom of this page.

LOOKING FOR ANSWERS WHERE CONVENTIONAL RULES DON'T APPLY

At the risk of sounding flip, the first sections of this paper have been an exposition on "everything you know about the appraisal of easements for public acquisitions is wrong." The purpose of this section is to offer a few clues as to where this writer looks for answers in appraising easements under the often legally fictional provisions of the State Rule.

Use Both Rules. One of the more obvious implications of this paper is that appraisers should consider using both rules of compensation in appraising easements, no matter which rule governs in any given jurisdiction. The difference between the compensation indicated by the Before and After Rule and that estimated by the Value of Take Plus Damages Rule is an indication of the legally compensable value over and above the actual market value of the probable loss sustained by the imposition of an easement. Providing estimates of value under both rules can serve as a heuristic device (i.e., a learning device) to more meaningfully communicate and separate market value from legal compensation for an easement.

Where Necessary, Accept Subjective Percentages, but Reluctantly. It follows from the above, that appraisers may not be able to avoid the use of subjective percentage estimates of the diminution in value of properties caused by easements when valued under the State Rule. This is because the computational format of the State Rule is a line-item approach. One cannot extract out the diminution in value for an easement from sales of whole properties under the State Rule because to do so would lead to double compensation. Part of any market-extracted diminution ratio for easements indicated from sales data may include severance damages and, possibly, costs to cure consequential expenses. Thus, to add compensation for damages to a market-extracted diminution ratio is inappropriate and smacks of double-dipping.

The evidence codes and case law in many jurisdictions only compound the obfuscation of how to appraise the market value of an easement by prohibiting the use of market data from public agency acquisitions of easements where there is an active public market for easements, and where data on such percentages can be found.[11] The State Rule format forces an appraiser to use subjective percentages in appraising easements, but the evidence code requires that market evidence be used. This inconsistency gives an appraiser the Hobson's choice[12] of having to use subjectively derived percentages of value diminution for easements from unencumbered land sales data because (1) more often than not there is no market data available from which to extract such ratios, or the diminution factor cannot be isolated; (2) actual market data may indicate that easements have little or no effect on market value; or (3) the format of the State Rule precludes use of market derived value diminution ratios because this would be tantamount to double compensation. In other words, the com-

INTERPRETATION OF ALTERNATIVE APPRAISAL RULES EASEMENT PART TAKINGS

Compensation Rule	Measurement Format	Implied Basis of Measurement	Implied Change to Highest Use	Implied Definition of Market Value	Property Unit Rule Implied	Basis of Compensation
Federal Rule	Before and After (Deduction Method)	Empirically Extracted Percentage From Whole Parcel Sale Data	Diminished Highest Use Must Be Proven from Sales Data	Willing Buyer/ Willing Seller Definition (Part A) (probable value)	Larger Parcel	Can Be Zero. Market Value Only.
State Rule	Value of Take Plus Damages (Summation Method)	Subjective Percentage of Diminution Applied to Unencumbered Land Sales	Highest Use Assumed to Be Diminished Except If Easement Must Be Dedicated	"Just and Equitable" Definition (Part B) (hypothetical value)	Larger or Smaller Parcel	Can Never Be Zero. Pro Rata Value of Whole Minus Diminution Plus Legally Compensatory Value of Damages

bined effect of evidentiary codes and the State Rule format, advertently or inadvertently, leads to a hybrid of market and non-market methods which must be used to appraise easements. Where legal compensation for easements must be estimated under the State Rule beyond that reflected in the market, it is crucial for public agency appraisal reviewers and legal counsel to understand that the appraiser often has no choice but to rely on percentage appraisal methods based on entirely subjective judgment or on an inventory of property rights approach. It ought to be further understood that the rules make appraisals of easements an exercise in subjectivity rather than a search for objective truth. In such a legal system, one appraiser's fact is another's fiction and vice versa.

Where Possible, Use Smaller Parcel Sales. A more defensible way to measure the diminution in value to a property from the effects of an easement under the State Rule is to use smaller parcel sales. Since to use whole property sales would lead to double damages, it follows that smaller parcels sales may be used to value the easement strip as a separate entity. In order to use this approach properly, sales of similarly conditioned smaller parcels must be used (i.e., setback strips, assemblages and disassemblages, abandoned road right of ways, landlocked wedges of land, etc.). To the value of the smaller parcel must be added damages, if any, offset by any permissible special benefits.

The drawbacks to this approach are that (1) the admissibility of smaller parcel sales varies by jurisdiction and (2) public agency low-bid appraisal fee policies militate against the use of smaller sales.

Many jurisdictions do not allow the use of small parcel sales in a court of law unless they are independently salable parcels (i.e., having unitary title, boundaries, and use). In jurisdictions where smaller parcel sales cannot be used, the only other method left to appraise easements is to value the land unencumbered by any easements and apply a subjectively derived (or sometimes contrived) estimate of the diminution in value.

Agencies hiring appraisers for easement valuation assignments generally use a low-bid system to retain appraisers. In order to be competitive as to the appraisal fee in jurisdictions where the State Rule prevails, this inevitably leads to an appraiser applying short cuts in the appraisal report. Use of subjective percentages to appraise the effects of an easement will allow an appraiser to eliminate the labor-intensive time and costs to collect and analyze smaller parcel sales data. Bidding documents customarily require that such bids conform to all applicable appraisal standards. There is an almost universal ignorance in such bid documents that the use of percentage appraisal methods for easements under the State Rule requires a departure from generally accepted appraisal standards. The fact that reliance on a subjective percentage appraisal methodology is likely to result in more disputed valuations and, perhaps, more litigation goes unrecognized by public agencies.

Estimate "Non-Engineered" Damages. An even murkier area of easement appraisal under the State Rule is the estimation of damages. Because a line-item format is required for estimating damages under the State Rule, the use of whole property sales to extract out the proportion of damages cannot be undertaken because of the danger of double damages. When damages cannot be estimated directly from the market, this leaves only the subjective opinion of experts to rely on. This creates a field ripe for the cultivation of advocates on either side of the centerline of the easement valuation. Lawyers who know the rules of the game may in the best interests of their clients, select appraisers, who are either "lowballers" or "highballers" with respect to estimating damages, depending on which party they are representing. Without concrete market data to anchor the appraisal, any ensuing valuation argument tends to deteriorate to totally engineered expert opinion on both sides. The predictable result will be that juries, judges, and arbitrators are often left only with the option of splitting the difference between any two disparate damage estimates because there is no greater weight of evidence that is presented beyond subjective opinion. This splitting the difference down the middle often skews reality.

One way to combat the inherently adversarial rules for estimating damages is to retain an independent consulting civil engineer, who will not engineer his conclusions but will assist the appraiser in understanding the probable actual impact an easement will have on the existing or future development of a parcel of land. A consulting subdivision engineer can be most helpful in educating both appraiser and property owner on the effects of an easement. This may result in the retention of similarly qualified opposing experts if there is a value dispute, but it offers a greater likelihood that reasonability and truth will prevail.

Take Coincident Encumbrances into Consideration. Case law, in most if not all jurisdictions, provides for the appraisal consideration of easements coincident with other easements (i.e., piggy back easements), setbacks areas, flood zones, future dedication strips, or other restricted-use areas. Applying a different percentage of diminution for easements in encumbered areas is legally appropriate.

Use Data From Non-Sale Properties. Often, built-out properties with existing easements best show the damage effects or non-effects of an easement. This raises an evidentiary problem of the use of non-sale, built-out properties to show the actual impacts of easements because a strict adherence to the Evidence Code would preclude the use of any data other than bona fide sales.

Communicate Honest Opinions of Value. Appraisers should be more intellectually and professionally honest about appraising easements under the State Rule. The law, not the market, is the final, although not total, arbiter of value under the State Rule of appraising easements. The view put forth in this paper is that the appraisal of easements under the State Rule is a rigged game, albeit a legally legitimate one. Appraisers may wish otherwise, but it is not up to the appraiser to interject his or her biases. Instead, an appraiser must distinguish between what is indicated from the market and what is provided for by public policy in the appraisal of easements for public improvement projects. This does not extend to the appraisal of easements for federal government entities, title insurance, existing easements, or other purposes where a more strict market (before and after) criteria may be required. An understanding of the difference in forensic appraisal will also mean not cloaking appraisal reports in definitions of market value and professional standards, which can create a pretense that the appraisal report is an aseptic and professional work product, devoid of anything other than pure market analysis. Appraisers should be able to demarcate where the market diverges from public compensation policies in order to render honest value opinions in compliance with the Jurisdictional Exception to the Uniform Standards of Professional Appraisal Practice.[13] Likewise, unusual assumptions used in easement appraisals for public projects should be disclosed in the appraisal report.

MACHIAVELLIAN VERSUS "ETHICAL" APPROACHES TO EASEMENT APPRAISAL

As sociologist Peter L. Berger has written, "Only he who understands the rules of the game is in a position to cheat."[14] There is an ethically sinister possibility in knowing the rules of the game in appraising easements by the State Rule. The purpose of this paper has not been to provide the unscrupulous with appraisal tricks of the trade. To the contrary, the purpose here has been to bring more clarity and lucidity to the appraisal process of easements. One cannot be unbiased without an understanding of what separates market value from public policy.

Some of the public distrust of the appraisal industry in appraising easements may stem from many landowners' ignorance about the effects of easements on property values. The only sound way to avoid the irrational fear, hysteria, and prejudice of landowners toward public improvement projects requiring easements is to instill education into the negotiation process. Unfortunately, neither the appraisal of easements under the State Rule nor appraisal disclosure policies allow for such an education process to occur. This results in lose-lose negotiations. Appraisals of easements which don't separate out the fiction from the facts, and bad-faith negotiations which do not allow for disclosure of the appraisal, only lead to a not an unfounded suspi-

cion that the appraisal process may be biased or manipulated (i.e., that it is Machiavellian in the worst sense of the term).

This raises the complex dilemma of which ethical stance to follow in the appraisal of easements: the Machiavellian stance or the so-called "ethical" stance. If, by Machiavellianism, one means clearsightedness rather than manipulation, it is clear that this paper has advocated for the former rather than the latter. However, one cannot always comfort oneself with the thought that it is the better and more competent appraisers who are always the most ethical. Often cynical appraisers can sometimes be the more competent in their understanding of the law as it applies to real estate appraisal. A forensic understanding of the intricacies of the law may lead to one being tagged with the misplaced label of an advocate. Appraisers who sometimes congratulate themselves on their non-advocacy may later be found not to understood the difference between conventional and forensic appraisal methods. ❑

NOTES

1. Peter L. Berger and Thomas Luckman, *The Social Construction of Reality.* (New York: Doubleday, 1966).
2. Thomas Kuhn, *The Structure of Scientific Revolutions.* (Chicago: University of Chicago Press, 1962).
3. Standards 1 and 2, *Uniform Standards of Professional Appraisal Practice* (USPAP), 1994.
4. J.D. Eaton, MAI, *Real Estate Valuation in Litigation*, Chap. 3, Appraisal Institute, 1996.
5. Nichols, *The Law of Eminent Domain*, rev., 3d ed., vol. 4A, Sec. 14.02[1], (New York: Mathew Bender Co., 1992).
6. Adumbrate; To suggest or disclose partially. *Webster's Ninth New Collegiate Dictionary*, 1984.
7. This writer is indebted to Robert McHolland, MAI, for his insights with this issue.
8. This table uses the State Rule formula specified by the State of California. Variations of this format may prevail in other jurisdictions.
9. Nichols, op. cit., vol. 8A, Sec. 16.02[4] (1992).
10. *California Code of Civil Procedure*, Sec. 1263.320, Part B.
11. "Matters Inadmissable and Not Proper Basis for Opinion," *Evidence Code*, State of California, Chapter 1, Article 2, Sec. 22, 1990.
12. Hobson's Choice. An apparent free choice when there is no alternative. *Webster's Ninth New Collegiate Dictionary*, 1984
13. A much needed corollary should be added to the Jurisdictional Exception to USPAP that it is imperative that an appraisal report distinguish between actual estimated market value and any additional compensation provided by public policy.
14. Peter L. Berger, *Invitation to Sociology*, (Doubleday, 1963), p. 152.

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