

Scott County Assessment Modernization Project

Resilient Communities Project–Scott County Partnership

Project Lead/Organization: Michael Thompson, Scott County Assessor’s Office

University Department/College: Humphrey School of Public Affairs

Course: PA 5041: Qualitative Methods for Policy Analysis

Course Instructor: Greta Friedmann-Sanchez

Students: Ashleigh Walter, Drew Garner, Aaron Sepulveda, & James Harnett

1. Description

Accurate property assessment for taxation purposes is important, both to provide tax fairness among property owners and to ensure the county and other local governments receive the property tax revenue needed to fund vital public services. Property assessment is mandated by Minnesota Statute 273.08, which states, *“The assessor shall actually view, and determine the market value of each tract or lot of real property listed for taxation, including the value of all improvements and structures thereon, at maximum intervals of five years, and shall enter the value opposite each description.”* Until recently, the Minnesota Department of Revenue has held that the phrase “actually view” requires the assessor to *physically view* the property during an in-person inspection.

These in-person inspections represent a hefty burden for many local government jurisdictions that are strained to find the resources to designate staff to complete inspections in compliance with the statute. Secondly, due to a changing social climate and workforce makeup, these inspections have gradually declined in their effectiveness over the nearly 75 years since the statute was written. Fewer people are home during daytime hours, and in event property owners are present, they may be skeptical to allow access to their property, representing a broader issue of declining trust in government.

The challenges associated with in-person inspections present a case for an analysis of alternative approaches to property assessment in Minnesota. In a modern context, satellite pictometry and other available data via real estate websites may allow assessors to gather similar or even more complete property information, potentially leading to a more efficient and effective outcome for both property owners and local governments.

2. Methodology

Research Method/Approach:

A research team of graduate students at the Humphrey School of Public Affairs addressed this issue using qualitative methods. Students interviewed 11 individuals across suburban, urban, and rural counties in Minnesota. Ten interviewees were individuals currently involved in property assessment and valuation among local government jurisdictions; 1 interviewee was an administrator at the Minnesota Department of Revenue. Interviews loosely followed a pre-developed interview guide that included questions meant to establish a basic understanding of assessor responsibilities, working conditions and experiences, and perceptions regarding the state statute and its impact on their work. Students compiled notes through the interview process, and identified and analyzed themes using a qualitative data analysis software, *nVivo12*.

Research Focus or Questions:

- 1) Do in-person property inspections, as mandated by the quintile review process, represent the most efficient and effective way to conduct property tax assessments?
- 2) Furthermore, how do alternative methods compare in terms of effectiveness?

3. Findings –

Based on the data gathered and analyzed by the student research group, the following findings were identified.

- 1) In-person inspections are generally inefficient:
 - Inspections conducted as part of construction permitting process may offer insight into property value, but cannot be substituted for requisite inspection as required by DOR
 - Properties that may be constructed more than 50 years ago, especially “rambler”-type homes typically do not acquire significant modifications that impact valuation
 - Success rates of accessing property interiors during in-person inspections were never more than 25%, with most interviewees suggesting rates of 10% or lower
- 2) “Cold-calling” is generally unwelcome and presents important safety concerns for assessors
 - Interviewees noted safety concerns including aggressive dogs and difficult or threatening encounters with property owners
 - Conversely, informing property owners about assessment practices in advance and outfitting assessors in official uniforms such as safety vests was associated with greater rates of success

- 3) Inherent value of in-person inspections
 - No alternative methods currently allow for examination of property interior; even property-owner furnished information may not fully inform the quality or upkeep of the property, which is a large determinant of value
 - In-person inspections offer an entry point into the community and an opportunity to engage with residents and build positive perceptions of local government
- 4) Value of mixed-methods approach
 - Both the literature review and interviews themselves suggested that a mixed methodology of assessment practices (in-person assessments, satellite pictometry, phone confirmation with property owners, permitting records, etc.) allow assessors the discretion to choose the most appropriate methods and result in the highest rate of equity, effectiveness and accuracy

4. Recommendations/Conclusions –

- 1) In-person assessments, due to their broad utility, should still be emphasized;
- 2) Alternative methods must be given due appreciation for their ability to aid assessors in producing accurate valuations;
- 3) Given the commonality of themes posited by assessors, as well as their technical expertise, the considerations of assessors should be given the status of expert opinion and consulted as such in any changes affecting State Statute.

5. Next Steps – *Next steps to keep the project moving forward (To be completed by project lead)*

6. Resources - *This might include key articles or other materials cited in the student report, as well as other resources you have found on your own.*