
The Political Economy of the Property Tax: Assessor Authority and Assessment Uniformity

Robert P. Strauss* and Sean R. Sullivan**

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*The Heinz School, Carnegie-Mellon University, Pittsburgh, Pennsylvania, 15213-3890; Email: RS9F@Andrew.CMU.Edu..** Attorney, Kirkpatrick and Lockhart Pittsburgh, Pennsylvania, 15222-2312; Email: Sullivsr@kl.com. The authors wish to thank Joan Yougman for comments on an earlier version of this paper. Responsibility for the research findings and opinions and any errors in this paper are solely those of the authors.

1. Introduction

The local property tax continues to be one of the most unpopular sources of finance in the United States. Taxpayers' complaints about its fairness in application grow, especially in its use for school finance. 1/ To some extent, the problems of the local property tax derive from its increasingly having become a residential property tax 2/, and the political difficulties that accompany the taxation of local residential real estate markets. These problems are in addition to the technical difficulties that professional assessors encounter when performing assessments.3/

In this paper, we make use of the Census Bureau's last effort at measuring, state by state, the uniformity in residential property assessments to ascertain why some states are much more successful than others at achieving uniformity or horizontal equity of the assessment results. While the coefficients of dispersion are dated, they still permit a comparison among the states that shows the extent to which assessment practices are uniform. With these data we explore the theory that the *structure* of the local assessment process is systematically related to the quality or uniformity in residential property assessment results. In particular, we examine variations in the nature of the authority accorded to the official responsible for performing residential assessments in terms of:

- the geographic reach or area of assessing responsibility;
- how the official is chosen;
- the extent to which the official can legally enter a property to measure the physical characteristics of the property;
- varying state assistance and oversight of the local assessment process; and,
- whether or not the state proscribes an assessment cycle (either mass or staggered) as contrasted to an annual assessment cycle. 4/

1 See Fisher(1996) for the most recent historical account of the US property tax's lack of popularity.

2 See Strauss(1997) for an empirical investigation of the growing residential share of taxable property in 18 states. Overall, the residential proportion of the local school property tax base rose by 1/3, and in states such as Michigan such shifts arguably led to the property tax revolt.

3 See Bowman and Mikesell(1990) for a reivew of the extensive literature examining the determinants of **intra**-state non-uniformity of property assessments.

4 This is based on Mikesell(1981) which found, using 1976 Census of Governments coefficients of dispersion, that states which had staggered assessment cycles generally had higher quality and more uniform residential assessment results than states which required annual reassessments (but which could not be meaningfully performed).

We consider whether these four factors are related to inter-state variations in observed assessment quality as captured by the historical Census of Governments coefficients of dispersion.

The paper is organized as follows. Section 2 examines state frameworks for the assessment of real estate. Section 3 analyzes legal issues arising when states grant the right of entry to local assessors, and indicates the circumstances under which such inspections are constitutionally permissible. Section 4 classifies the states in terms of authority and compares these tabulations with the 1981 state by state coefficient of dispersions reported by the Governments Division of the Census Bureau, and examines the basic conjectures in a multiple regression framework. Section 5 concludes.

While a number of states empower assessors to enter the dwelling of a homeowner, a legal analysis of the Fourth Amendment of the United States Constitution, which protects individuals from unreasonable search and seizure, suggests that entry without a warrant from a local magistrate is not supportable, and that entry with a warrant is supportable under existing federal caselaw. This structure is consistent with state statutes empowering assessors to enter dwellings; in general those states require that the assessor first obtain a warrant.

We find that high quality assessments occur as the geographic responsibility of the residential assessment is larger, and, surprisingly, when assessors are elected rather than appointed. State oversight of local assessment through the setting of standards and state evaluation of results improves the uniformity of residential assessments, while state technical assistance appears to have little effect. Surprisingly, the prohibition on an assessor's right of entry is associated with lower quality assessment results. Granting the right of entry does not improve the quality of assessment results.

One implication of the statistical analysis in this paper is that states seeking to improve the quality and uniformity of their local assessment process should amend their property assessment statutes to replace locally appointed assessors with separately elected assessors. This structural change in the local political economy of the property tax should enable locally elected municipal or county officials to insulate themselves from voter antipathy once assessment uniformity is achieved since responsibility for the change in assessments will be another elected official's responsibility or problem.

2. State Frameworks for Real Property Assessment

2.1 Dimensionalities of the Real Property Assessment Function

The states vary substantially in terms of whom they accord responsibility to for performing real property assessments. Only one state (Maryland) performs all real estate assessments at the state level. The balance of the states either accord assessment responsibility to a local municipal official (15) or to a local county official (36). Not all local assessment officials are elected; 30 of the 51 states (including the District of Columbia) elect the property assessor while the balance, 21, are appointed as of 1994.

Table 1 tabulates the geographic area of assessment responsibility against the method by which assessors are selected.

Table 1: State Assessment Authority: Geography and Selection Method

Geographic Responsibility	Appointed	Elected	Total
Local (municipal or town)	7	8	15
County or State	14	22	36
Total	21	30	51

Source: US Census (1994)

The states also vary substantially in terms of the level of assistance and oversight they exert over the local real estate assessment process. Assistance varies from providing tax maps (14), maintaining the parcel system (12), providing computer help (13), helping update assessments (34), helping assess commercial and industrial property (30), requiring that specific types of data be collected (30), supervising local assessors (27), and certifying local assessors (19), to establishing and enforcing standards (26), or even changing local assessments (1) or local tax rates (4). (See Table 2.)

2.2 Right of Entry and Right to View

Mass appraisal of residential property depends critically upon the quality of data maintained about them. Application of statistical modeling to actual sales data is only as effective as the data utilized is accurate. States typically obligate real property records to identify the ownership, location and area of land on which improvements lie; however, valuation of improvements depends not only upon knowing what the property looks like from the outside, it also depends critically on what is inside, in terms of the number of bedrooms, bathrooms, and so forth, but also the quality of the interior.

For the tax minimizing property owner, the incentive undoubtedly is to allow the collection of as little information as possible about the interior of his property, since revealing the extent of improvements and their quality can only lead to (permanently) higher real estate taxes. For the assessor, right of entry into a property to view or measure it may run afoul of state and federal constitutional guarantees against unreasonable search or seizure.

Table 2 Number of States with State Role in Local Assessment Process

State can change assessments	14
State can change millage	4
State supervises local assessors	27
State estimates and enforces standards	26
State requires specific records	30
State imposes training requirements	25
State certifies assessors	19
State provides assessment guidelines	36
State provides tax maps	14
State maintains parcel system	12
State provides computer help	13
State helps update assessments	34
State assists local computing	29
State helps commercial/industrial	30
State encourages consolidation	13

Source: US Department of Education, 1976.

3. Legal Issues Implicated by the Right of Entry

Two legal obstacles might prevent an assessor from gaining entry into a private residence: (1) the statute that defines an assessor's powers might prohibit entry; and (2) even if statutory authority for entry exists, the Fourth Amendment to the United States Constitution might prohibit entry.

3.1 State Assessment Statutes

Assessors' powers are defined by statute.^{5/} Thus, an assessor can exercise only those powers granted to him expressly or by implication and cannot exercise those powers denied to him. Some statutes clearly grant or deny the power of entry.^{6/} Some statutes are silent on the entry question. Other statutes may arguably be interpreted as allowing entry.^{7/}

In Table 3, we have classified the state statutes that define assessors' powers according to the type of entry authority granted by the statute.^{8/} Only thirteen states clearly define the assessor's entry authority -- six deny the right of entry, while seven grant the right of entry.^{9/}

⁵See *McCallum v. Board of Review of City of Des Moines*, 159 N.W. 1036, 1038 (Ia. 1916) ("assessor is not armed with a statutory warrant to enter upon and search the premises of the person to be assessed. . . . [Thus] he may not search the premises for that purpose. . . ."); 1986 S.C. Op. Atty. Gen. 109 (concluding that assessor could not enter a home for purposes of performing an assessment because he was without statutory authority to do so); Oliver Oldman and Joan Youngman, *Current Legal Issues of Assessment Equity*, 13 *Assessors J.* 31, 40 (1978).

⁶*E.g.*, INDIANA CODE § 6-1.1-4-15 (1995) ("In order to determine the assessed value of buildings and other improvements, the township assessor or his authorized representative, may, after first making known his intention to the owner or occupant, enter and fully examine all buildings . . . located within the township he serves and which are subject to assessment."); VERMONT CODE § 32-4404(c) (1991) (property "shall be inspected by a committee of not less than three members of the Board [of Equalization] . . ."); MISSISSIPPI CODE § 27-1-23 (1992) ("assessors shall have authority to enter . . . premises other than a house used as a residence"); SOUTH CAROLINA CODE § 12-39-120 (1991) (assessor "may enter and examine fully all buildings and structures (except dwellings).").

⁷*E.g.*, NEV. REV. STAT. § 361.260 (1991) ("assessor shall ascertain by diligent inquiry and examination of all real property" the values of the property within his jurisdiction"); VIRGINIA CODE § 58.1-1-3280 (1994) (assessor "shall make a physical examination [of property] if required by taxpayer and all other cases where they deem it advisable"); UTAH CODE § 59-2-303 (1991) (assessors "shall become fully acquainted with all property in their respective counties").

⁸*E.g.*, WIS. STAT. ANN. § 70.32 (1989) ("real property shall be valued from actual view or from the best information the assessor can practicably obtain").

⁹ Six of those states grant entry authority on the initial assessment; a seventh, Vermont, grants entry authority if the taxpayer appeals the original assessment.

Twenty statutes do not directly address the question of authority to enter, but can be reasonably read as granting the power of entry by implication.^{10/} No reported cases have considered the assertion of implied authority to inspect by an assessor. Furthermore, state records regarding the actual practices of assessors in such jurisdictions are not readily available. Thus, the extent to which assessors in these twenty states have actually asserted this implied authority to conduct inspections of the interior of private homes is not ascertainable.

Eighteen state assessment statutes are silent regarding the power of entry. In these states, assessors are neither granted the power to conduct interior inspections nor clearly forbidden from doing so. In lieu of statutory authority, an assessor could assert that the power to conduct interior inspections is a power that is inherent in his office. No reported cases have addressed the assertion of such an inherent power by assessors; nor is information about actual practices available. However, in light of the Fourth Amendment concerns described below, it seems likely that a court would reject the assertion by an assessor of inherent authority to conduct interior inspections.

3.2 Fourth Amendment Overview

When a property owner voluntarily consents to an inspection by an assessor, no question exists as to whether the inspection is constitutionally permissible. If a property owner refuses to allow an inspection, can an assessor, consistent with the prohibition against unreasonable searches and seizures contained in the Fourth Amendment to the United States Constitution, ^{11/} either compel entry or impose some type of sanction? The Fourth Amendment provides that:

The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.^{12/}

Inspections by tax assessors implicate two Fourth Amendment issues: (1) whether such inspections must be authorized by search warrant; and (2) if a warrant is required, what facts the assessor must prove to obtain the warrant.

¹⁰ In sixteen of those states, the implied authority arguably allows entry at the initial assessment; in the remaining four states, the implied authority arguably allows entry if the taxpayer appeals the original assessment.

¹¹ U.S. CONST. amend. IV.

¹² Many state constitutions contain similar provisions. This paper considers only the effect of the federal Constitution. However, because some states have interpreted their state constitutions as providing greater protection from searches and seizures than does the Fourth Amendment, the law of each state must be consulted in determining whether an assessor can constitutionally exercise the power of entry.

3.3 Fourth Amendment: Search Warrants

The Supreme Court has never considered whether the warrant requirement of the Fourth Amendment applies to inspections by property tax assessors. The Court has, however, considered the constitutionality of other non-criminal inspection plans. In these cases, the Court has held that the Fourth Amendment requires the government to obtain search warrants, issued by neutral magistrates upon a showing of probable cause, for all non-exigent, non-consensual searches of property in which a person maintains a “reasonable expectation of privacy.”^{13/} Because homeowners generally maintain reasonable expectations of privacy in their premises, any regime of assessment inspections that grants assessors the power of entry will be subject to the Fourth Amendment’s warrant requirement.

3.4 Fourth Amendment: Probable Cause

A court may issue a search warrant only upon a showing of “probable cause, supported by Oath or affirmation, particularly describing the place to be searched.”^{14/} The term “probable cause” defines the quantum of evidence that the government must present to obtain a search warrant.^{15/} In criminal cases, probable cause requires specific evidence that the search of a particular place is likely to uncover evidence of a crime.^{16/}

Unlike law enforcement agencies, administrative agencies often conduct regular programmatic inspections to determine regulatory compliance. Many of these inspections are not based upon specific evidence of a legal violation. Because these preemptive regulatory inspections are not based upon specific evidence of legal violations, these inspections do not satisfy the traditional probable cause standard.^{17/} Rather than declare such inspections constitutionally infirm, the Supreme Court crafted a separate “administrative probable cause” standard for non-criminal searches.

Administrative probable cause exists if “reasonable legislative or administrative standards for conducting an inspection are satisfied.”^{18/} Under this approach, a legislature or agency must

¹³ *Michigan v. Tyler*, 436 U.S. 499, 506 (1978); *Katz v. United States*, 389 U.S. 347, 361 (1967) (Harlan, J., concurring).

¹⁴ U.S. CONST., amend. IV.

¹⁵ Wayne R. LaFare, *Administrative Searches and the Fourth Amendment*, 1967 SUPREME COURT REVIEW 1, 11.

¹⁶ See *Illinois v. Gates*, 462 U.S. 213, 238 (1983); *United States v. Bollman*, 24 F. Cas. 1189, 1192 (C.C.D.C. 1807) (“probable cause, therefore, is a probability that the crime has been committed by that person”).

¹⁷ See *Gates*, 462 U.S. at 238.

¹⁸ *Camara*, 387 U.S. at 538.

create neutral criteria that govern when an agency may conduct inspections. When these conditions are satisfied, the agency can petition a court for a warrant. If the agency convinces the court that the neutral criteria are satisfied, then the court will issue a warrant authorizing inspection.^{19/}

Under these rules, there are two ways that an assessor can obtain an administrative warrant to inspect a private home. First, an assessor could establish a program by which every home in his jurisdiction was to be inspected once within a certain number of years. Such an inspection program, based upon the passage of time, would likely be a “reasonable legislative or administrative standard” sufficient to establish administrative probable cause.^{20/} If the need arose to inspect a home at a time other than that prescribed by the neutral inspection standards, then the assessor could attempt to obtain a warrant by presenting specific evidence of the need to inspect. Such evidence might include a showing of unreported improvements or specific proof that a property owner supplied misleading information regarding the value of his property.

3.5 Shaping an Inspection Statute

To create a regime of inspections that is consistent with the Fourth Amendment, a statute should unambiguously grant to assessors the power of entry. The statute must either clearly define the neutral criteria that govern when an assessment inspection will occur or require the assessing agency to define these criteria by regulation. The passage of time seems to be the neutral criterion that best fits the assessor’s task. Finally, it is unlikely that a court would permit forced entry over a property owner’s objection.^{21/} A statute should, therefore, provide for some type of sanction if the property owner refuses entry after an assessor has lawfully obtained a warrant. For example, the statute could impose a fine or shift to the property owner the burden to prove that an assessment is incorrect.

¹⁹For example, reasonable legislative or administrative standards governing a housing safety inspection scheme would include the passage of time between inspections, the condition of a building and the condition of surrounding buildings. *Id.* at 538.

²⁰*Camara*, 387 U.S. at 538 (noting that the passage of time is a neutral criterion which could suffice as a “reasonable legislative or administrative standard” to govern the issuance of an administrative warrant).

²¹ *See Camara*, 387 U.S. at 540 (“the requirement of a warrant procedure does not suggest any change in what seems to be the prevailing local policy . . . of authorizing entry, but not by force, to inspect.”); *see also* 61 Ops. Cal. Atty. Gen. 524 (1978) (concluding that an assessor could not enter private property against the will of the owner in order to perform an assessment).

4. Empirical Characteristics of State Residential Assessment Practices

4.1 Right of Entry

Using the classification scheme developed above, an analysis of each state's assessment and property taxing statutes reveals a wide range of policies towards the assessor's right of entry. We distinguish among six types of authority that the states have granted to their local assessors. At one extreme, some states grant assessors clear authority to enter a residence to collect information for assessment purposes. A number of states' assessment statutes might arguably be interpreted as authorizing entry, but do not directly address the question. Eighteen other state assessment statutes are silent on the right of entry by an assessor. A number of states expressly prohibit entry into residential properties for assessment purposes. Table 3 shows the distribution of states by this classification of entry authority, and Table 4 ranks the states by the 1981 residential coefficient of dispersion.

Table 3: Type of Authority to Enter Residential Property by State

1. Assessor has Power of Entry (6): Alaska, Indiana, Minnesota, New Mexico, Ohio, and South Dakota
2. Assessor has Power of Entry on Appeal (1): Vermont
3. Assessor Has Implied Power of Entry (16): Arizona, Arkansas, Connecticut, Delaware, Florida, Georgia, Iowa, Louisiana, Missouri, Nevada, Oklahoma, Tennessee, Utah, Virginia, Wisconsin, and Wyoming
4. Assessor Has Implied Power of Entry on Appeal (4): Massachusetts, Michigan, North Carolina, and Washington
5. Assessment Statute Silent on Power of Entry (18): Alabama, Colorado, Washington, DC, Hawaii, Idaho, Illinois, Kentucky, Maine, Montana, Nebraska, New Hampshire, New Jersey, North Dakota, Oregon, Pennsylvania, Rhode Island, Texas, and West Virginia
6. Entry by Assessor is Prohibited (6): California, Kansas, Maryland, Mississippi, New York, and South Carolina

4.2 Measuring the Uniformity of Assessments

In 1981, the Governments Division of the US Census Bureau, in conjunction with its Census of Governments, reported state by state coefficients of dispersion for residential properties for all states except the District of Columbia. According to the IAAO, low coefficients of dispersion, 15.0% or less, are considered to represent good appraisal uniformity.^{22/}

²² IAAO(1978), p. 12.

4.3 Assessment Uniformity and the Structure of Assessment Authority

The Census Bureau's 1982 Taxable Property Values analysis of residential property assessment quality, show that the uniformity of assessments varies greatly from state-to-state. Oregon had the most uniform assessments (under 4% relative variation in the effective sales ratio); New York the least uniform assessments of residential property (just under 150% relative variation in the effective sales ratio). Of the 50 states for which coefficients were available, 23 had coefficients of dispersion of 15.0 or less and thus met the International Association of Assessing Officers quality standard.

The data reveals certain discernible patterns in assessment quality. Among the top 23 states, only 1 prohibited entry (California), and 6 had statutes that were silent regarding right of entry. All of the other high quality states had clear or implied right of entry into residences. Only 3 of the 23 states empowered municipal or township assessors to perform property assessments; the remainder employed county assessors. This data tend to establish that professionalism and uniformity in assessments are enhanced by 'distance' from taxpayer pressure. Appointed assessors were in the minority (9 of 23) among states with high quality residential assessments in 1981. Finally, a state role in either certifying local assessors (12 of 23), actually reviewing local assessments (11 of 23), or establishing and enforcing assessment standards (15 of 23) were relatively more prevalent in states with high quality assessments.

Among the 7 states with the poorest residential assessment dispersion coefficients, (coefficients greater than 39.9% in 1981), 5 of 7 had no state established or enforced standards; 6 of 7 did not certify local assessors, and in none could the state review and change local assessments administratively. New York, with the worst residential assessment uniformity in 1981, prohibited an assessor from entering a property to view or measure it, had local assessment rather than county assessment, and had no state established or enforced assessment standard.

Table 4: States Ranked by Residential Property Coefficient of Dispersion and Structure of Local Assessment Process

	1981							State
	Residential			Geographic		State	State can	Establishes
	Dispersion			Area of	Selection	Certifies	Change Local	and Enforces
Rank	Coefficient ₁	State	Power of Entry ²	Responsibility ³	Method ⁴	Assessors ³	Assessment ³	Standards ³
1	3.6	Oregon	Statute Silent	County	Elected	Yes	Yes	Yes
2	5.9	Iowa	Implied Entry Power	County	Appointed	Yes	Yes	Yes
3	6.0	Idaho	Statute Silent	County	Elected	No	No	No
4	6.0	Maryland	Entry Prohibited	State	Appointed	Yes	No	Yes
5	6.6	Virginia	Implied Entry Power	County	Appointed	No	No	Yes
6	6.6	Utah	Implied Entry Power	County	Elected	Yes	Yes	Yes
7	6.7	Florida	Implied Entry Power	County	Elected	No	No	Yes
8	7.6	Ohio	Entry Power	County	Elected	No	No	Yes
9	7.6	Delaware	Implied Entry Power	County	Appointed	No	No	No
10	7.7	Kentucky	Statute Silent	County	Elected	Yes	No	Yes
11	8.3	Alaska	Entry Power	Local	Appointed	.	No	.
12	8.7	Michigan	Implied at Appeal	Local	Appointed	Yes	Yes	Yes
13	9.3	Wyoming	Implied Entry Power	County	Elected	No	No	Yes
14	9.9	Nebraska	Statute Silent	County	Elected	Yes	No	No
15	10.7	Georgia	Implied Entry Power	County	Appointed	Yes	Yes	No
16	11.8	Washington	Implied at Appeal	County	Elected	No	No	Yes
17	12.8	Montana	Statute Silent	Local	Elected	No	Yes	Yes
18	12.8	Illinois	Statute Silent	County	Elected	No	Yes	No
19	13.1	Arizona	Implied Entry Power	County	Elected	No	No	No
20	13.1	California	Entry Prohibited	County	Elected	Yes	Yes	Yes
21	14.3	South Dakota	Entry Power	County	Appointed	Yes	Yes	No
22	14.7	Nevada	Implied Entry Power	County	Elected	Yes	Yes	Yes
23	15.0	Minnesota	Entry Power	County	Appointed	Yes	Yes	Yes
24	15.5	Kansas	Entry Prohibited	County	Appointed	Yes	No	Yes
25	16.4	Indiana	Entry Power	Local	Elected	No	No	Yes
26	16.6	North Carolina	Implied at Appeal	County	Appointed	No	No	No
27	17.2	Colorado	Statute Silent	County	Elected	Yes	Yes	No
28	18.0	Oklahoma	Implied Entry Power	County	Elected	No	Yes	No
29	20.4	Alabama	Statute Silent	County	Elected	No	No	No
30	20.6	Missouri	Implied Entry Power	County	Elected	No	No	Yes
31	22.3	Louisiana	Implied Entry Power	Local	Elected	No	No	Yes
32	22.3	Maine	Statute Silent	Local	Elected	Yes	No	Yes
33	23.2	New Jersey	Statute Silent	Local	Appointed	Yes	No	Yes
34	23.8	Mississippi	Entry Prohibited	County	Elected	No	No	No
35	25.2	Hawaii	Statute Silent	County	Appointed	.	No	.

	1981 Residential			Geographic		State	State can	Establishes
State	Dispersion			Area of	Selection	Certifies	Change Local	and Enforces
<u>Rank</u>	<u>Coefficient</u>	<u>State</u>	<u>Power of Entry</u>	<u>Responsibility</u>	<u>Method</u>	<u>Assessors</u>	<u>Assessment</u>	<u>Standards</u>
36	26.7	Tennessee	Implied Entry Power	County	Elected	Yes	No	Yes
37	26.7	New Hampshire	Statute Silent	Local	Elected	Yes	Yes	No
38	27.9	West Virginia	Statute Silent	County	Elected	No	No	Yes
39	29.2	Connecticut	Implied Entry Power	Local	Elected	No	No	No
40	30.2	Vermont	Entry Power-Appeal	Local	Elected	No	No	No
41	32.0	Wisconsin	Implied Entry Power	Local	Appointed	Yes	No	Yes
42	33.2	South Carolina	Entry Prohibited	County	Appointed	No	No	No
43	36.2	Texas	Statute Silent	County	Elected	No	No	No
44	40.0	New Mexico	Entry Power	County	Appointed	No	No	Yes
45	42.4	North Dakota	Statute Silent	Local	Appointed	No	No	No
46	43.3	Massachusetts	Implied at Appeal	Local	Appointed	No	No	No
47	45.1	Arkansas	Implied Entry Power	County	Elected	No	No	Yes
48	48.3	Rhode Island	Statute Silent	Local	Elected	No	No	No
49	55.1	Pennsylvania	Statute Silent	County	Appointed	No	No	No
50	147.2	New York	Entry Prohibited	Local	Appointed	Yes	No	No

1/Census (1982)

2/Author's analysis of statutes.

3/US Department of Education (1976).

4/Census (1994)

4.4 Regression Analysis of 1981 Coefficient of Dispersion

We can investigate the effects of geographic reach, method of selection, state oversight, and right of entry on residential assessment quality by estimating a multiple regression with the 1981 Coefficient of Dispersion as the dependent variable. Table 5 displays the regression results. Several points about the regression analysis are germane. First, missing data on several characteristics reduces the number of observations from 51 to 48 jurisdictions. Second, all of the explanatory variables are categorical; an affirmative answer to the query takes on the value 1.0. Third, among the six categories of entry authority, the category of "Statute Silent" is the omitted category. Thus, the effects of the other entry authorities must be interpreted relative to the "Statute Silent" classification. Experimentation with various specifications determined that an interaction term between the variable capturing geographic responsibility and method of selection.

Overall, 46 percent of the variation in the measure of residential assessment quality could be explained by the various factors. Surprisingly, granting right of entry powers is not statistically related to assessment quality. A clear prohibition against allowing the assessor in, on the other hand, is associated with a predicted dispersion coefficient that is higher by 18.7 percentage points

holding everything else constant. Requiring either county-wide or state-wide assessment has the beneficial effect of lowering the predicted dispersion coefficient 11.9 percentage points. Electing the assessor again lowers the predicted dispersion coefficient by 35.8 percentage points. The **net** effect of broad geographic responsibility **and** elected status is the sum of these two effects plus the interaction effect which is of opposite sign. This works out to a lowering of the predicted dispersion coefficient by 33.7 percentage points, which is larger in absolute effect than simply electing the assessor, but smaller in absolute effect than just having a county appointed assessor.²³ Finally, if a state establishes and enforces an assessment standard, the regression results suggest it can lower its coefficient of dispersion by 13.2 percentage points. While having staggered assessment cycles is inversely related to the 1981 dispersion coefficients, and consistent in direction of effect of what Mikesell found with 1976 data, it is not statistically significant.

This regression analysis suggests that uniform residential property assessment involves some fairly clear tradeoffs. If strong privacy rights are conferred on property owners with a very local assessment process without meaningful state oversight, the estimated statistical model suggests that uniformity will suffer. Insulating a local assessor from the electorate has the surprising effect of being associated with greater non-uniformity in assessment. There are several possible explanations for this. In some states with appointed assessors, their elected supervisors may fear that they will be blamed for correcting inequities through reassessment. One hears as political lore the observation that the assessments are so bad that no elected official would correct them; states are littered with the political carcasses of assessment reform zealots. On the other hand, if political accountability for assessments is direct, then it may be that only those who wish not to be re-elected will allow assessment uniformity to deteriorate.

²³ Note that these effects are **not** the relative change in dispersion coefficient but the **absolute** change in dispersion coefficient, and are accordingly larger in relative terms since the mean dispersion coefficient is 22.7%.

Table 5: Multiple Regression Analysis of 1981 Residential Dispersion Coefficients

<u>Explanatory Variable</u>	<u>OLS Regression Coefficient</u>	<u>t-statistic</u>
Intercept	59.3021	5.53
Clear Entry Power?	7.9963	0.72
Clear Entry Power on Appeal?	-4.8748	-0.23
Implied Entry Power?	1.8522	0.25
Implied Entry on Appeal?	-11.9125	-1.00
Entry Prohibited?	18.7019	1.87
County /State Responsibility?	-35.8047	-3.38
Assessor Elected?	-24.2273	-2.00
Interaction:County ?* Elected?	26.290	1.90
State Certifies Assessors?	-.9627	-0.13
State Can Change Assessments?	-9.3365	-1.25
State Establishes and Enforces Standards?	-13.2417	-2.04
Staggered Assessment Cycle?	-.96227	-.13
N	48	
R ²	.4653	

5. Conclusions

The purpose of this paper was to examine whether the geographic reach of assessor responsibility, method of selection, state provision of services to local assessors, state oversight, and the power to enter a residence to view and measure its characteristics are associated with assessment quality. Several hypotheses were confirmed:

- county assessors generally do a more uniform assessment job than do local assessors;
- elected assessors generally do a more uniform assessment job than do appointed assessors;
- clearly prohibiting right of entry reduces the uniformity of local assessments;
- state aid for local assessment through technical assistance does not improve the quality of assessments if these other structural factors are at work;
- state establishment and enforcement of assessment standards is, however, associated with better assessment results; and
- if states wish to empower local assessors with the right of entry to view and measure the interior characteristics of a property, the federal constitution is not a barrier to such state legislation.

Whether the above conclusions are warranted today requires that more recent data on the quality of residential property assessments be analyzed per the above set of variables, and underlines the importance of ensuring that Census begins again to collect and report this important information. Surely for those businesses seeking to locate significant manufacturing assets, knowledge about the quality of local assessment practices can have meaningful economic development implications.

7. References

Articles, Books and Pamphlets

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