

Property Assessments for Taxation: State or Local Assessors?



ST. CHARLES PARISH ASSESSOR'S OFFICE

Tab Troxler, Assessor

Overview of Property Taxes in the United States

- Jurisdictions in all 50 states and the District of Columbia impose property taxes. Most property tax revenue comes from local levies on land and improvements .
- State governments levied property taxes in 36 states in 2016, collecting \$16 billion in revenue, or 1 percent of own-source state general revenue.
- Property taxes are the largest own-source of revenue for counties, cities, townships, school districts, and special districts.

Overview of Property Tax Assessments in the United States

- The taxing jurisdiction typically assesses the real property value by estimating what the property would sell for in an arms-length transaction.
- In most areas, property taxes are governed by state law, but **assessed** and collected by the county (Parish) on an ad valorem basis.
- Assessors (Assessment Officers) or either elected or appointed by local residence or local boards.

Elected versus Appointed Assessors

- The selection of the Assessing Officer is different in each state.
- The selection process may be election or appointment.
- Elected Assessing Officers and some appointed Assessing Officers serve a fixed term.
- Appointed Assessing Officers may be appointed for a non limited term or work at the pleasure of an elected board or another locally elected official.

Professional Assessing Officer: Elected or Appointed?

- The perception maybe that an appointed Assessor is more attuned to the professional standards of appraisal then an elected Assessor.
- 1988 Annual Conference on Taxation of The National Tax Association
 - Discussed the differences of the elected or appointed Assessing Officer
 - Minnesota (Appointed), Arizona (Elected) and Virginia (Combination)

Findings of a study: Elected or Appointed

“Appointment of the assessor does not assure competent performance...”

JOHN H. BOWMAN and JOHN L. MIKESELL

National Tax Journal

Vol. 42, No. 2 (June, 1989), pp. 181-189

Perceived Benefits of Centralized Assessments



Better adherence to the professional standards of appraisals.



“Fair” - Uniform application of rules, regulations and laws within the state.



Less political influence within the assessment practice.



Easier for businesses in multiple counties (parishes) to comply with.

Perceived Benefits of A Localized- Jurisdictional Based Assessments



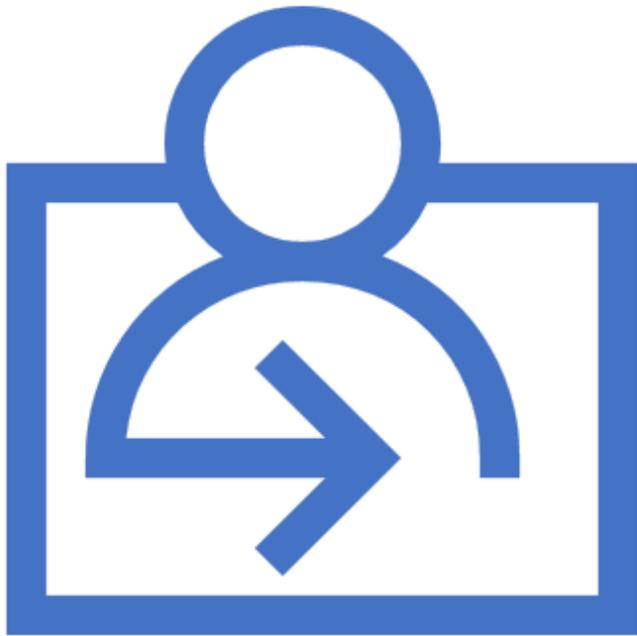
Knowledge of the local market.

Familiar with local practices and customs within the market.

Better able to service clients and residence.

Likely more aware of rapid market changes.

Better able to apply the rules, regulations and law to the local area.



Better Adherence to the Professional Standard of Appraising

- Professional education is the requisite to achieving the ability to assess properties to the highest professional standard of appraisal.
- Most local and state assessing officers follow the professional practices of associations such as; The Appraisal Institute and/or the International Association of Assessing Officers (IAAO).
- Adherence requires both the professional education and the will to pursue it.
- Adherence also requires transparency, third party review, and general oversight.

“Fair”

- The careful and dutiful adherence to the professional standards of appraisal is required.
- An appraisal by definition is an opinion of value.
- Establishment of a professional standard of work process is one means to achieving “Fair”.
- USPAP (United States Professional Appraisal Practice)
- “equitable distribution of the local property tax burden (its fairness) depends upon the quality and accuracy of the annual market value estimates established by the responsible local official.” Wayne Moore, PH.D

**“PEOPLE
INFLUENCE
PEOPLE”**

**“People influence people.
Nothing influences people
more than a recommendation
from a trusted friend. A
trusted referral influences
people more than the best
broadcast message. A trusted
referral is the Holy Grail of
advertising.”**

- Mark Zuckerberg



Political Influence

“In our age there is no such thing as 'keeping out of politics.' All issues are political issues, and politics itself is a mass of lies, evasions, folly, hatred and schizophrenia.” – George Orwell

No man nor system is immune to politics.

“Easier” for Business



Any consolidation of services with the result of less interaction with the bureaucracy is helpful.



Easy is not always just.



Easy is not always right.



“Don’t take the easy way out”

Case Study for the Localized Assessor

- Many who visited the office were there in response to St. Charles Parish Assessor Tab Troxler taking an unprecedented step in lowering property assessment rates by as much as 30 percent. Troxler made his move due to a virtually non-existent real estate market in parts of the parish that are expected to be negatively impacted by soaring property insurance rates under the Biggert-Waters Act.

