

STATE OF MINNESOTA  
DEPARTMENT OF REVENUE  
BOARD OF ASSESSORS

IN THE MATTER OF THE PROPOSED  
ADOPTION OF AN AMENDMENT TO AN  
EXISTING RULE OF THE BOARD OF  
ASSESSORS LICENSE FEES  
(13 MCAR § 1.4006B.)

STATEMENT OF NEED  
AND REASONABLENESS

This document has been prepared as a verbatim presentation of the facts necessary to establish the statutory authority, need for, and reasonableness of the proposed new rule. It is submitted pursuant to 9 MCAR 2.104 requiring a Statement of Need and Reasonableness.

Authority to Adopt the Rule

Minn. Stat. 270.47 grants to the Board of Assessors statutory authority to establish rules concerning License fees of assessors.

Statement of Need and Reasonableness

The Board of Assessors found it necessary to increase license fees to cover costs involved with processing applications for licensure and issuing the licenses. Each application must be verified to determine if the applicant has earned sufficient Continuing Educational Units to qualify for relicensure or has met the initial requirements for licensure if it is a new applicant. Those who qualify for licensure will be issued a current license.

The Board has employed a full-time Clerk-Steno until 1981 when the position was shared with the Department of Revenue. The Board has tried to maintain the records processing by using CETA employees when available. Revenue was going to supply a Word Processor in exchange for the 1/2 position but to date we are still waiting for the machine. CETA employees are not always available. Salaries for clerical help have increased as well as postage, printing, overhead cost until cost involved with licensing virtually equaled the income. Estimated costs for 1982 were \$7,450.00 and the income was \$7,518.00.

Costs for licensing for a 5-year period through 1985 are as follows:

1981	1982	1983	1984	1985
\$7,500.00	\$7,450.00	\$8,500.00	\$10,000.00	\$10,500.00

License fees were bringing in a little more than enough to cover the costs in 1981 and 1982 but would have not covered the costs in 1983 without increasing the fees.

Actual Income in:

<u>1981</u>	<u>1982</u>
\$8,405.00	\$7,518.00

Anticipated Income Without increasing the Fees in:

<u>1983</u>
\$7,150.00

Anticipated Income after raising the Fees in:

<u>1983</u>	<u>1984</u>	<u>1985</u>
\$13,500.00	\$12,000.00	\$11,000.00

The number of licensed assessors has been decreasing slightly over the past few years because by 1985 all Certified Assessors will have had to meet the requirement of attending the three required courses designated by the Board. Some have attained certification by taking a Comprehensive Examination but have never taken any of the courses offered to the Assessors. They have been given ten (10) years to complete the educational requirements but have not taken advantage of the program. Many of the Assessors are part-time employees of a taxing district and the annual turn-over is quite high, nearly 15% annually. Between 5 and 10 percent of those licensed each year are new people in the field and will get their first license and nearly 10 percent will fail to renew their licenses.

Annual licensing must be maintained in order to keep the records current with so many changes involved each year. A multi-year license would cut the costs of operation but would be so obsolete after the first year that the purpose for licensure would be lost. Costs involved in correcting the records would approach the cost of renewing the license but no fees would be collected.

Fees collected previously would cover a calendar year, January through December, but the Assessor prepares the assessment between the months of September and April. A great deal of confusion resulted because assessments were started in September by a person holding a current license but were not able to complete the assessment because they didn't qualify for licensure in January because they hadn't earned the required Continued Educational Units to maintain licensure. A minimum of 10 hours of instruction is required to maintain licensure. The change to a fiscal year will eliminate this problem.