



Communications, Inquiries, and Investigations

How the Property Tax Division Conducts Oversight

January 2021

*Please note: This document only deals with inquiries that relate to the **administration** of property taxes, not the property taxes themselves.*

Introduction

When the Minnesota Department of Revenue receives communications that question the legality, validity, ethics, or accuracy of property tax actions, it is considered an inquiry. Inquiries may involve the actions of any person, organization, board, or entity involved in the administration of property tax.

By law, the department has authority to investigate these inquiries. The specific authorizing statutes are noted at the end of this document.

When we receive an inquiry about property tax administration in the state, it may go through this process:

1. Initial communication
2. Inquiry and preliminary review
3. Investigation
4. Resolution
5. Communication of findings with the relevant parties

We use a standard form and process to track inquiries through to resolution. This process is outlined in this document.

For the purpose of this document, the following terms have the following meanings:

Complainant: The person or organization who initiates an inquiry that leads to an investigation

Subject: Who or what the inquiry or investigation is focused on

Inquiry: The actions taken by the department after receiving communications that question the legality, validity, ethics, or accuracy of property tax actions

Investigation: Actions taken by the PTCO and others at the department to research and understand the inquiry

Investigation report: The report created at the end of the investigation outlining the findings

Initial Communication

The Property Tax Division receives inquiries regarding Minnesota property tax administration from many individuals or groups, including:

- Taxpayers
- Other citizens
- Assessors
- Legislators
- County Boards
- Other interested parties

We respond to each inquiry. Some cases may originate within the department based on its statutory role in oversight of the state's property tax system. In those cases, the Property Tax Director is considered the inquiring party.

Inquiry and Preliminary Review

When reviewing an inquiry, we first determine whether it can be resolved through education or requires further investigation. An inquiry alone does not trigger the need for an investigation.

The Property Tax Compliance Officer (PTCO) for the area where the inquiry originated researches the issue.

The Assistant Director of Classification and Assessment and the Supervisor of the Property Tax Compliance Officer Section determine whether to close an inquiry or open an investigation.

If an inquiry is closed, we notify the relevant parties.

If an inquiry is not closed, we identify key questions, relevant parties, and actions that will result from an investigation.

Investigation

If there are any questions concerning ethics or licensing, we will notify the Board of Assessors.

The investigation is conducted by an experienced investigator, with assistance by the Property Tax Compliance Officer, to ensure unbiased and consistent investigation. If the investigator believes there may be a criminal violation, they will inform the Criminal Investigation Division.

Investigations may involve interviewing relevant parties and researching records. Interviews and other research are intended to answer the key questions developed when an investigation is opened. Individuals that are interviewed or otherwise contacted during an investigation may receive a Tennessee Warning.

Resolution

At the end of the investigation, the investigator creates an investigation report. This report documents the initial inquiry and findings, and assesses the subject's intent and the impact of the subject's actions. For the purposes of this report, intent and impact mean:

Intent: *the level of purpose under which the subject acted, or the level of negligence demonstrated by the subject.*

Impact: *the effect of the subject's actions. Impact considers the number of properties/taxpayers impacted and the dollar amount of adjustments if any.*

We consider the investigation results when determining further action. Action may involve:

- Recommendations for the subject
- Referral to the Board of Assessors

- Notification to the employer

After reviewing the investigation report, the director of the Property Tax Division decides on any corrective actions to take based on the degree of intent and impact.

Non-criminal investigation outcomes include:

No Findings: If there is no potential assessment-related misconduct, including violations of the Board of Assessor's (BOA's) Code of Conduct, the investigation is returned to inquiry status and closed.

BOA Code of Conduct: Any potential violation of the Board of Assessor's Code of Conduct is referred to the Board for further review.

Assessment-Related Misconduct by a non-licensed person or entity: If there is assessment-related misconduct by a person or entity other than a licensed assessor, we will include this statement in the investigation and findings report: "We have exercised the extent of our authority with the (Person or Entity Name) by providing guidance, expertise and expectations so that property tax laws are administered according to statute."

Assessment Misconduct by a licensed Assessor: The department will determine remedy based on the assessor's intent and the impact of the assessor's actions.

At the end of an investigation related to a licensed assessor and the code of conduct, the department will report findings to the Board's Complaint Committee. Action will be at the Board's discretion. The Minnesota Department of Revenue acts only in an investigative role.

For all other investigations, the department will communicate with the complainant and the subject at the close of all investigations. The department may also communicate with the Board of Assessors and the employer. The contents of the investigation report are considered private, non-public data while any agency or Board is conducting an investigation.

Note: Improvement opportunities identified during the investigation associated with the subject's employer are reported separately. This report does not constitute an investigation, but employer violations of law will be fully investigated.

Other Communications

Communications that do not question the legality, validity, ethics or accuracy of property tax actions are not inquiries. These are responded to with information on the property tax system, or referred to the appropriate department, board, or agency for a response.

Communications are not considered inquiries when they are:

- Based on inaccurate information.
- Solely about assessor licensing levels or licensing validity. These matters will be referred to the Board of Assessors for resolution.

Statutory References

This document describes the process for handling inquiries and for taking action based on the results of inquiries. Relevant laws and documents include but are not limited to:

- Minnesota Statute 270C.85 Subdivision 1, 2(b), and 2(f)
- Minnesota Statute 270C.92 Subdivision 1
- Minnesota Statute 273.0645 Subdivision 1 and 2
- Minnesota Statute 181.932 Subdivision 2
- Minnesota Statute 214.10
- Minnesota Statute 13.39 Subdivision 2a
- Minnesota Statute 13.37 Subdivision 2