

## Mr. Almy Goes to Washington: An Interview with Richard Almy

*Margie Cusack*

**R**ichard Almy could be described as an IAAO icon. He has been referred to as a walking encyclopedia of assessment knowledge. His resume is packed with professional activities, consulting projects, contract research, and writing and teaching experiences so long that I can't describe them all in a quick interview. Besides being a lifelong member of IAAO, Rich has a unique history with the association.

The story starts with Rich being raised in Virginia, but the adventure begins when Rich leaves to attend the University of Michigan, Ann Arbor, where he studied art history and obtained a Bachelor of Arts degree in 1960. Deciding to stay in Michigan after graduation, Rich took the City of Detroit's technical examination and received the top score for that round of testing. He learned, however, that because he was not a Detroit resident, he would never be considered for a job. So he got a room in the home of his future mother-in-law in Detroit and thus established residency. As things turned out, the first opening was with the Board of Assessors, and in early 1961 Rich found himself employed at the board, once again reaffirming that IAAO members are all part of an accidental profession.

Instantly Rich was hooked on the world of assessment. He helped design the first city-wide sales ratio study, create assessment standards, and build a cost approach computer-assisted appraisal system. Rich had stumbled upon the world of assessment, but he stayed with the Board of Assessors for the next 8 years. He was also attending Wayne State University and received a master's degree in urban planning in 1969. Then came the *big move*—Rich was hired by IAAO as a Research Associate in 1969.



*Richard Almy participating in a discussion panel at a 2015 international conference.*

At that time, IAAO headquarters was in Hyde Park on the campus of the University of Chicago, so Rich moved to Illinois. After one year as a Research Associate, he was promoted to Director of Technical Services, and in 1970 IAAO initiated its first contract research and consulting program. One of its first and largest research projects was a Study of Assessment Practices for the U.S. Department of Housing and Urban Development in 1972. Two other active long-time IAAO members, Robert Gloudeans and Richard Denne, also worked



*Armenians buying and selling properties in Yerevan, Armenia, using a direct approach between buyers and sellers.*



*Richard Almy with an interpreter in Yerevan, Armenia, looks over postings of available properties.*

for IAAO at this time and assisted on technical projects. From 1972 to 1982, Rich was Director of Research and Technical Services, focusing on the expansion of contemporary needs in the assessment industry including computer-assisted mass appraisal (CAMA) research and refinements.

From 1982 to 1990, Rich served as IAAO Executive Director. His strategic goals were restoring stability to the organization and shaping IAAO as a leading voice for the industry in modern appraisal standards; both have proved pivotal to the association's trademark and legacy. Research projects included a 1995 IAAO Salary Survey that was mailed to IAAO members and many other technical projects that were ongoing because of the emergence of CAMA systems across the assessment industry.

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### ***As a hobby, I try to maintain data on property tax systems in 195 countries.***

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After 21 years with IAAO, Rich left in 1990 to pursue a career in professional consulting in property taxation. In 1991, Rich established a partnership, and the consulting firm of Almy, Gloudemans, Jacobs, & Denne (AGJD) was created. Since then, he has spent a lifetime assisting in the development of new land-based taxation systems and offering improvements to existing systems for all levels of government, public interest groups, and educational institutions.

Executive Director Ron Worth has kidded Rich about becoming the founding member of the IAAO "0-80" club, but Rich reminds us all that it can't happen for another 2 years! Rich repeatedly claims to be slowing down his workload and, alas, is "thinking about and considering" retiring from his consulting practice.

But when I caught up with Rich in Chicago in late March, he certainly didn't seem to be slowing down. Instead he was talking about future potential assessment assignments. After discussing Rich's unique experience with IAAO and work life lessons, we turned to his recent participation in the World Bank 17th Annual Conference on Land and Poverty.

The conference was held March 13-18 at the World Bank headquarters in Washington, D.C. The theme of this year's conference was "Scaling Up Responsible Land Governance," focusing on implementing innovations and sustaining investments in land governance. The conference was jam-packed with papers, panel discussions, and demonstrations on emerging technologies. Rich stated, "This was my first Land and Poverty Conference. It was impressively organized and had a strong, diverse program. Mass valuation and property taxation were among the themes." (Visit [\[ftool.com/landandpoverty2016/sessions.php\]\(https://www.conftool.com/landandpoverty2016/sessions.php\); clicking on a session heading sends you to a page with the presentation materials available for that session.\)](https://www.con-</a></p></div><div data-bbox=)

#### ***Q. Rich, what specific topic did you address at the conference?***

"Effective and Sustainable Systems for Valuing Property for Taxation: A Comparative Analysis." I had about 15 minutes to talk about valuation systems and highlight what's happening in different countries. I compared centralized versus local systems and discussed how a level of trust in government systems can affect the ability to collect taxes. I have learned that you don't start with the technical components of property tax systems; instead, you build from the top down, limit the deliverables, and really listen to discover the framework of a transitional or developing government.

#### ***Q. Who were the members of your panel?***

James Kavanagh of the Royal Institute of Chartered Surveyors (RICS) chaired the panel. The other presenters were

- Trevor Davis, KPMG, "Exploring the Benefits of Technology to Government and Society: A Case Example from the Valuation Office, Cape Town, South Africa"
- Aidas Petrošius, Lithuanian Center of Registers, "How Modern Technologies Used in the Mass Valuation May Serve the Strengthening of Self-Governance (Lithuanian experience)"
- Graham Deane, Airbus Defense and Space (United Kingdom), "Land Administration and Valuation Information Management System (LAVIMS)—Five Years of Operations in Mauritius."

#### ***Q. You have done extensive research internationally on comparative valuation systems. What are the most recent topics?***

"A Global Compendium and Meta-Analysis of Property Tax Systems," 2014, Lincoln Institute of Land Policy Working Paper WP14RA1, [http://www.lincolninstitute.edu/pubs/2395\\_A-Global-Compendium-and-Meta-Analysis-of-Property-Tax-Systems](http://www.lincolninstitute.edu/pubs/2395_A-Global-Compendium-and-Meta-Analysis-of-Property-Tax-Systems) (submitted in 2013)

"Valuation and Assessment of Immovable Property," 2014, OECD Working Papers on Fiscal Federalism, No. 19, OECD Publishing, <http://dx.doi.org/10.1787/5jz5pz-vr28hk-en>

Property Tax Regimes in Europe," 2013, Nairobi, UN-HABITAT. <http://unhabitat.org/books/property-tax-regimes-in-europe/>

As a hobby, I try to maintain data on property tax systems in 195 countries.

#### ***Q. Based on your vast experience, what are the common themes or challenges in developing land-based property tax systems where they never existed before?***

Some taxes on property have long existed in most countries, including those in the former Soviet Bloc. Those taxes were

regarded as suboptimal for one or more reasons by agencies interested in promoting democracy and market reforms. Transfer taxes tended to be so high that they interfered with the development of transparent property markets, and annual (recurrent) taxes on real (immovable) property tended to be so limited in coverage or so low that they provided trivial revenues. Although each situation is unique, the following experiences come to mind:

- I think a distinction should be made between *evaluation* projects, such as those I participated in on behalf of the Organisation for Economic Co-operation and Development (OECD), and *development* projects, such as those funded by the United States Agency for International Development (USAID). In evaluation projects, it is easier to influence the scope of work (SOW). In development projects, the SOW may be rigidly predetermined (perhaps years before the project began). In most of my development project experience, I was a short-term technical advisor, not a full-time member of a project team, and so I had limited opportunities to shape project objectives. In a few instances, my SOW had an unwise task (such as having to determine training needs without having identified the objective of training or current skills of the persons to be trained) or an unachievable task (such as having a reluctant government increase property tax revenues by 20 percent without having any access to decision makers). Fortunately, I found all my engagements enjoyable, and I have made many friends. Happily, both the contractors and the client countries usually were amenable to advice and assistance that were in the spirit if not the letter of the SOW.
- High-level policy makers have too many concerns to spend much time mastering the complexities of property tax reform proposals. If they cannot ignore them altogether, the default response to any proposal is “no.” Getting their attention and engaging them can be difficult.
- Legislative instincts are the same everywhere. There is a fear of being blamed (held accountable) for higher taxes. There is little time or inclination to dig into the details of the current system or of proposed reforms (if, in fact, any details exist). Legislators are susceptible to proposals to grant exemption and relief.
- Turning to technical matters, property attribute data—especially currently accurate data and data on things that are important in explaining differences in market value—are in short supply in most countries. Especially when effective property tax rates are low, comprehensive field canvasses are not affordable. There is more reliance on declarations by taxpayers. Small data sets affect the sophistication of valuation models. Current IAAO ratio

study standards, which are widely recognized, are difficult to meet.

- A subject that also came up in the context of surveyors and title officials at the 2016 World Bank Land and Poverty Conference is the mind-set of valuers. There is a tendency towards complacency. Valuation professionals tend to regard the valuation methodology that they have mastered as sufficient for all valuation purposes. I am reminded of a proposal in the Czech Republic in the 1990s to adopt a methodology that cost the equivalent of USD 250, when the typical residential property tax bill was USD 20. Thus, there is a need for realistic mass valuation standards.
- Even when two people are using the same language (English, in my case), the meanings they attach to common terms (e.g., land and notary) may differ. Even good interpreters and translators have difficulty with jargon.

**Q.** *What are the best ways to promote compliance in payment of property taxes?*

This is a good question. Since I have no first-hand experience with improving compliance, I can only comment on what seems to make sense to me. First, the willingness to pay taxes is widely seen as a cultural issue (there is academic literature on the subject). The lack of a taxpaying culture is sometimes used as an excuse for not entertaining a proposal to extend the coverage of a property tax—to residential property, for example. Curiously, taxpayers can also tolerate grossly disproportionate taxes if they are accustomed to them. However, the following seem to be important:

- *Ensure that the tax is affordable.* When the Soviet Union collapsed, many apartment occupants became owners. Some poor people (former pensioners) became owners of highly desirable apartments. At the same time, property markets were primitive.
- *Make collecting the tax easy.* In a few countries in which I have worked, tax bills had to be hand-delivered to officially registered taxpayers, who could be dead or living in another country. (In one instance, a deputy minister of finance escaped taxation because her deceased grandmother still held title to the property.)
- *Make paying the tax easy.* Rather than accepting only cash payments to inconveniently located offices open for only a few hours a day, allow payments by mailed checks, electronic transfers, and the like.
- *Make properties as they actually exist taxable, rather than how they are described in tax registers.* Frequently, “illegal” construction was not taxable, because it was thought that accepting tax payments would legalize construction that was not authorized (via a building permit and so forth). In some places, virtually all new construction was not

authorized. In some instances, something as trivial as enclosing an apartment balcony without permission would render the whole apartment untaxable.

- *Build a case for taxation.* Where a culture of paying taxes is weak, taxes should be linked to desirable improvements (roads, schools, and so on). *Transparency* should be increased by making assessment rolls and tax registers public.
- *Make it easier, cheaper, and more convenient to pay the tax than to avoid it.* I should point out that U.S.-style *in rem* enforcement of property tax obligations is very rare. However, the legal due-process hurdles of pursuing liabilities personally (such as attaching the taxpayer's salary) can be as onerous. On the other hand, requiring that taxes be paid before an automobile can be licensed can encourage payment.

**Q.** *In the 1990s, you described CAMA modeling as a process akin to fine sausage-making. What are some other lessons you have learned over time?*

If I have learned anything, it is that simple, logical, and market-centered valuation models are most appropriate for property tax purposes. It is easier to persuade officials and taxpayers that they reflect market realities better than models with greater predictive power but with inexplicable variable coefficients.

**Q.** *What were some of the most interesting technological tools and concepts in assisting local governance discussed at the World Bank Conference?*

- There was an innovation fair with many exhibitors. There were discussions about the future of open-source software for CAMA modeling.
- According to Wikipedia, *scalability* is the capability of a system, network, or process to handle a growing amount of work or its potential to be enlarged in order to accommodate that growth. I wondered in the context of national systems whether such systems should be scaled down so that they could be administered locally.
- “Fit for purpose”—basically, “good enough”? I’m thinking about this in the context of future IAAO certificates and making them accessible to smaller or developing assessment districts; this is a subject for consideration as AGJD rewrites the *Assessment Practices: Self-Evaluation Guide*.

**Q.** *How did the discussions and programs at the World Bank Conference translate to the IAAO and its membership and specifically to Vision 2020? In other words, what should IAAO keep in mind?*

First, IAAO enjoys an international reputation for its standards and textbooks; the conference reinforced my im-

pression of this. In small ways, IAAO’s reputation reflects credit on its members and vice versa. If inclusion of the word *international* in its name and the Vision 2020 plan have any meaning, IAAO should attempt to learn and grow internationally. A broader perspective can help IAAO perceive opportunities for growth in and service to the field domestically as well as



*Richard Almy enjoying a break from his busy schedule*

internationally. If the association hopes to be successful in international technical assistance, its leaders must have ongoing personal contacts in organizations like the World Bank. It needs to be perceived as knowledgeable about property tax policies and practices internationally. IAAO has long made investments in publications, courses, and official travel that have cemented its reputation in the United States—the world is no different. Of course, its investments need to be judicious, but they should not be eliminated.

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Thank you, Rich Almy, for setting the example of keeping your mind open and always thinking about your next contribution to IAAO and the worldwide assessment industry. Please, just semi-retire; the IAAO “0–80” club will need its fearless leader in 2018.

*Editor’s Note:* Rich was not the only IAAO personality at the World Bank Conference. Ron Worth, Executive Director, and Larry Clark, Director of Strategic Initiatives, also participated in multiple panels and activities. See the article on page 26.

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