The ABCs of Hiring a Property Tax Consultant

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By using some commonsense guidelines, the corporate property tax manager can create productive engagements with property tax consulting firms and, at the same time, avoid potential pitfalls. This article discusses the value of using property tax consultants and describes the problems in outsourcing tax appraisal work.

RECENTLY, A CORPORATE property tax manager interviewed for a position with a new company and was asked for his opinion of property tax consultants by his potential employer. He replied, "I think of them in the same way that I think about power tools. In the right hands, they can be useful and very effective, but you had better wear your safety goggles and keep your fingers away from the blades." Needless to say, this individual was not interviewing with a property tax consulting firm, but his words ring true and are representative of the experience of many corporate property tax professionals. In the property tax consulting arena, there are some top-shelf property tax consultants, and there are, luckily, only a few who may be considered less than ethical. Consultants on either end of the range are candidates of obvious choice or rejection on the basis of their good or bad reputation. The tough part involves considering property tax consulting firms in the gray area of the spectrum; their strengths and weaknesses are not always obvious. The purpose of this article is to present issues and alternatives from which the appropriate property tax consultant can be selected. This article also points out questionable and unethical practices that may be employed by unscrupulous consulting firms.

The working environment of the corporate property tax manager has changed dramatically during the past 15 years. The mergers, acquisitions, and leveraged buyouts of the 1980s introduced tough new valuation issues for the property tax profession, coupled with

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the need to service high levels of debt by reducing expenses. It was after the hectic period of deals that the terms *downsizing* and *re-engineering* were introduced and accepted as the benchmark for survival. Other terms, such as empowered employees who may have the authority to outsource business functions, also appeared. (Some believe that empowered employees were the ones left after outsourcing.) In any event, every company positioned in a competitive industry was subject to extreme pressure to become as efficient as possible. Outsourcing was an option to consider.

In property taxes, outsourcing is not new. Some companies have practiced it for decades. As long as there have been property tax consulting firms, there has been outsourcing. It has been here, it is here now, and it will continue to exist for some time in the future, as long as the perception exists that the benefits outweigh the costs.

WHY HIRE A PROPERTY TAX CONSULTANT?

The reasons are many, but the over-riding factor is the net benefit to the company, considering all other alternatives. Five primary reasons for hiring a property tax consultant include: leveraging in-house talent, coping with reduced staffing, dealing with extraordinary circumstances, requiring special expertise in a situation, and employing outsourcing as a more efficient option.

Leveraging In-house Talent

Leveraging in-house talent involves the efficient application of existing management resources supplemented with external help. In a situation where a company experiences rapid growth through acquisition or effective business practices, the corporate property tax manager is still faced with time constraints. Logically, it might be prudent to assign a manager to property tax issues with high expected payoffs and to recruit supplementary help from a property tax consultant for those tasks with a low expected payoff or ones that are simple compliance issues. Why should high-priced talent complete personal property tax returns when it could be returning money to the corporation with successful appeals or researching abatement opportunities? Another example is the use of in-house talent in localities where the tax rates are particularly high, and the outsourcing of appeal work in low-tax rate areas on a contingency fee basis. The primary goal of every corporate tax department should be to leverage existing resources in the most efficient manner possible.

Reduced Staffing

As a by-product of re-engineering and downsizing, staff reductions present another reason to seek assistance from a property tax consultant. The cost to employ outside help on a temporary or restricted basis will most likely be less costly than that of full-time and permanent staff. The case for seeking temporary employees is consistent with the prior reason to leverage existing management.

Extraordinary Circumstances

There comes a time for every company that an extraordinary challenge is successfully resolved. It may be in the form of an acquisition or disposition, an accounting change, a new property tax law, a bankruptcy, a severe and sudden real estate recession, calamity damage from a natural disaster, or just an unfair valuation issue with dramatic financial consequences. In any event, it may require the services of an outside expert who has experience with the particular situation and has the resources to resolve the problem. First, always question whether the situation can be resolved effectively with in-house staff. If there is neither the time or expertise internally, outside options must be considered. Extraordinary circumstances demand consultants whose background goes beyond typical compliance and routine appeals work.

Specialized Expertise

This reason for employing property tax consultants can involve a one-time or reoccurring situation for which the property tax consulting firm possesses the knowledge and experience pertinent to resolve it. An example might involve assessment valuations of specialized property such as cogeneration plants, movie studios, satellite earth stations, historical properties, pollution control equipment, or land affected by the Endangered Species Act or environmental mitigation. Another example might involve a special tax and assessment situation such as a legal challenge to an ambiguous law, a challenge to a non-ad valorem direct assessment, a personal property tax audit on a large manufacturing plant in a small town, a study on the state trending tables of telecommunication switching devices, or an appeal of a typical property in atypical surroundings.

General Outsourcing

If an outside firm can provide corporate property tax services for a more reasonable cost than that of an in-house property tax staff, outsourcing is a viable option. The key words are "reasonable cost" combined with the assumption that the same or higher level of service is provided to the company. Only in extreme circumstances are entire property tax departments completely outsourced. The typical scenario is the outsourcing of portions of the property tax function such as compliance, appeal and review functions, and tax payment. Regardless of the level of outsourcing, it is crucial that some internal resources be retained to serve as liaison between the company and the consultant to facilitate information flow and to provide monitoring and management of the consultant's performance.

TYPES OF PROPERTY TAX CONSULTING FIRMS

Property tax consulting firms' methods of operation, marketing, specialties of practice, system offerings, and market niches are often delineated by the size of the firm. They range in size from the one- or two-person shops to large CPA firms with hundreds of professional and technical people labeled as property tax consultants. One consistent observation, regardless of the size of the consulting firm, is that seasoned and ethical professionals can be found.

The Small Shop

Most small shops may have several people working out of one office. Small shops tend to concentrate their practices in a specific industry or a geographical area. Because a client of any substantial size is a large client, the firm's service level and responsiveness is usually high. One client may constitute as much as 40 percent or more of total billings. The principal of the firm is the primary salesperson, with marketing primarily restricted to personal contacts. Often, the principal was formerly employed internally by present clients. If the small firm is geographic-specific, it may have heavy work burdens at certain times, but it should be well prepared to meet any challenges because of its familiarity with local laws and practices and its professional contacts with assessment authorities. If the small firm is industry-specific, the principal may be a top expert in a particular specialty and operate throughout the United States successfully. On the other hand, small firms that attempt to undertake large engagements in areas outside their normal range often turn to "farming out" part of the engagement through alliances with other small firms, which can sometimes cause an uneven level of quality and control.

Medium-Sized Firms

Often referred to as "boutiques" by large firms, medium-sized firms usually have 10 to 50 operatives in two to as many as eight offices strategically placed throughout the country. Although some medium-sized firms may have one or two marketing people, the principals of the firm perform most of the marketing function. Most new business is the result of referrals from existing clients. Typically, no one client generates more than 20 percent of total billings in a medium-sized firm. Because the principals are often the engagement managers, service and response levels are high and consistent. Medium-sized firms are typically former small firms that have reached the critical mass that enables them to take on nationwide full-service engagements and system development. Usually, the principals of the firm have industry-specific expertise that is shared with the operatives in the other offices. In addition, regional offices allow region-specific expertise.

Large Independent Firms

Currently, there are only three or four of large independent firms, with one or two rumored for sale to one of the Big 6 accounting firms. These large firms hit their critical mass some time ago. Their founders essentially created the property tax consulting business. They may have in excess of 10 offices and well over 50 operatives. Large firms usually employ dedicated marketing specialists, supplemented by efforts by the principals. It is rare that one client constitutes more than five percent of total billings. Large firms' major strengths are size and available resources such as system development and placement of many geographic-specific offices. Although principals may handle some engagements, the regional office managers located in close proximity to the client manage most of them.

Big Six Accounting Firms

Accounting firms did not seriously get into the property tax consulting business until the late 1980s. Mergers and acquisitions before that time had basically shrunk their client base, and property tax consulting appeared to be a way in which to expand services to clients, as well as a strategy to maintain clients. By the early 1990s, the Big Six firms were on a hiring binge, recruiting from both corporations and assessors' offices. Some small- and medium-sized consulting firms were acquired, and recently, one large-sized firm was acquired. The blending of property tax consultants with a Big Six culture and structure has yielded mixed results. Even though a Big Six firm may have a National Director of Property Tax Services with a national plan and strategy, often the local operative is first responsible to the local state and local tax or valuation partner. In addition, access to a specific client must be obtained through the local engagement partner. In most cases, a consultant must first market the service to the local partners and then to the client. The strength of Big Six firms is their enormous resource base in terms of numbers of operatives, system development, and varied allied disciplines. However, these may represent high costs due to the large expense base of an accounting firm. There are several "cells" of strong professional consultants in various parts of the country in various firms, but it remains to be seen if a strong cohesive property tax practice, with consistent and affordable results, will be evident on a national basis in a Big Six firm.

Law Firms

Legal firms can be an important and vital element of an effective property tax management strategy. Attorneys are obviously needed in those areas of the country where property tax consulting is deemed an "unauthorized practice of law" or where the actual appeal procedure is a judicial process. In other areas, a property tax consultant can bring the appeal procedure to a certain point, and then legal assistance is required. For example, in

California, there is just one formal level of appeal, the local County Board of Assessment Appeals. For further property tax relief, the appellant must proceed with legal action to the Superior Court, the State Appellate Court, and then the State Supreme Court. A competent property tax consulting firm uses a reliable network of law firms to assist in the proper execution of appeal rights for a national client.

Service Bureaus

Service bureaus are small in number. Often, self-styled as property tax consulting firms, service bureaus operate as basic conduits of information between the client and the assessment and taxing authorities by either processing and paying tax bills, or filing personal property returns. Service bureaus generate very little appeal activity. Their charges are usually based on a flat fee, and production is piecework.

Commercial Realty Firms

A few of the large commercial brokerage firms entered into the property tax business during the past several years. They have an existing client base in their property management and listing accounts, and they probably have some of the best market data available. As a rule, commercial real estate firms do not offer services in the personal property tax area, but they can be highly effective in real estate appeals. As real estate downturns reverse, some of the people employed in the property tax area of property management firms will probably return to their former jobs as commercial brokers.

THE HIRING PROCESS

The hiring process is a five-step procedure: defining the issue, conducting an interactive interview, preparing the formal request for proposal (RFP), performing a references check, and drawing up the consultant service agreement. All steps are crucial for a successful engagement with a property tax consulting firm.

Defining the Issue

It is assumed that outside property consultants are needed. What must be established is the desired result, how the prospective consulting firm will accomplish that result with their resources, and the support and resources of the client company. Three main types of property tax challenges are: special expertise, high expertise, and recurring events.

Special expertise situations require the experience and talent of a consultant expert in certain areas of highly technical non-recurring assessment problems. An example may be a consultant knowledgeable in geothermal energy production that can prove to an assessor that the reason why capitalized new geothermal wells must be redrilled periodically is because they clog with mineral deposits and, therefore, have a much shorter economic life than reported in state tables. Another example is a person that can understand and interpret Phase I & II environmental mitigation studies and their effect on value.

High expertise situations require the experience and talent of a consultant expert in certain areas of high and moderate technical recurring assessment problems. An example may be the use of a consultant knowledgeable in organizing and expediting a California Proposition 13 revaluation of numerous properties in many counties. Another may involve audits of personal property and fixtures for chip manufacturing. The development of a custom property tax reporting system also falls into an area that requires high expertise.

Recurring events do not require high levels of specialized expertise, but need competent expertise and reliable execution. Property tax compliance tasks, such as personal property reporting of cookie-cutter property, is an area of recurring events.

Once the issue is defined and the decision is made to engage a consultant, the appropriate firms with the skill and expertise must be located. Most likely, the typical corporate property tax manager has a stack of letters, unsolicited proposals, and phone messages from willing consulting firms to chose from.

Conducting an Interactive Interview

After reviewing the qualifications of the competing consulting firms, interactive interviews should be performed. These meetings should be with a principal of the firm or with, at the least, an operative who will be working on the engagement.

At the beginning of the interview, the reason for the meeting and why his or her consulting firm was selected for an interview should be explained. The interviewer should ask the consultant about his or her firm's philosophy of operation and company mission. Then, the property tax issue should be raised, and he or she should be asked how the problem could be resolved. Is the consultant knowledgeable and experienced with this type of problem? Is the consultant knowledgeable about the company and its industry? Does the consultant have the resources to resolve this problem? Does the consultant listen carefully to the issues being discussed?

Toward the end of the interview, the consultant should be told if an RFP with specific requirements will be submitted to his or her firm. After the interview, decide if the consultant has demonstrated confidence in his or her abilities. This answer should be kept in mind as the next steps in the hiring process, the RFP and the service agreement, are performed.

The Request for Proposal

A comprehensive RFP will result in several effective comprehensive proposals if the demands are reasonable and workable. If no replies or only modest interest has been received, the RFP may not be reasonable. The RFP should be simple, direct, and specific.

First, the assessment or tax issue to be resolved should be defined. Next, the services expected to be received that will expedite resolution should be outlined. An acceptable fee basis should be specified. If possible, it should be left up to the consultant to be creative in proposing flat fees, hourly fees, contingency fees, or a combination of fee types. This is not recommended for the benefit of the consulting firm, but it allows the client more flexibility in any cost/benefit analysis and decisionmaking process. The length in time for the engagement and terms for possible termination should also be specified. Finally and most importantly, a list of current clients and references that may be contacted must be provided.

Checking references and former clients. Before checking references, the consulting firm's representative should be called to ask if it is permissible to contact any company listed on its client list in addition to the submitted references. If permission is granted, the clients not listed as references should be contacted. If not, the consulting firm should explain why permission was not granted. If a suitable reply is not forthcoming, this firm should be eliminated from the list of potential candidates.

The reference check is one of the most illuminating aspects of the hiring process. The objective replies will come from the companies on the client list that are not listed as official references. Some suggested questions are:

- "Please tell me about your engagement with ABC Consulting?"
- "Did they come through with results, and did they deliver the services promised?"
- "Did they keep you informed with all developments in the process, and did they keep you in overall control of important decisions?"
- "How do they compare with other property tax consulting firms you have used in the past?"
- "What do you perceive as their strengths and weaknesses?"
- "Did they meet or exceed your expectations?"
- "Do you feel that you received good value for your investment?"
- "Would you hire them again? Why? Why not?"

Wrapping up. After this survey is conducted, the data for each competing consulting firm should be summarized, delineating the pros and cons and strengths and weaknesses. This question should then be answered: How do the replies from clients and references compare with the initial impressions created during the interview? Should the company be included on the consulting firm's list of clients?

After the RFP and reference check comes the most crucial part of the process: the decision to engage with the most suitable firm by entering into a service agreement. It is also the time to make a final decision on the cost and benefits of the engagement. At that point, it is a propitious time to review the option of doing the work with in-house staff. If all acceptable firms submitted a fee proposal far in excess of expectations, the in-house option may now be a valid economic decision if specialized expertise is not required and if talent is readily available for hire.

The cost/benefit analysis involves some subjective decisions. The proposal identified the quantitative differences between the consulting firms. The reference survey should shed light on the qualitative differences between firms. The corporate property tax manager must now reconcile and balance the importance of quantitative and qualitative differences in the cost/benefit analysis before selecting the appropriate consulting firm. One of the biggest mistakes made by clients is the assumption that consulting services are like commodities, that is, the higher the price the better the quality. This may occur when the client puts more importance in the quantitative differences between proposals, but the real difference lies in qualitative differences.

Fee structures. The pros and cons of contingency fees are always debatable. Initially, contingency fees put the risk on the consultant and definitely provide motivation. Contingency fees are controversial for some people in both client and consultant environments. Foes of contingency fees feel that they promote overzealous and unethical actions. This should not be a concern if the consulting firm is professional and ethical. Flat or hourly fees put the risk on the client in appeal situations. Some believe that flat fees do not provide the same motivation as contingency fees. Again, if the consulting firm is ethical and professional, it will provide the same diligent service under either scenario. This leads back to the original issue: the decision to employ a property tax consulting firm is based on qualitative differences, not quantitative differences.

The Service Agreement

The service agreement is a binding contract. Contracts are not really necessary if the engagement runs smoothly, but they are absolutely necessary if problems arise. Most consulting firms have their own standard agreements that are tweaked to suit the particular situation. They may have a single page or many. One-page agreements are often too ambiguous to be effective. Multiple-page agreements may be too detailed. A balance is preferable, with plain language that parallels the objectives and specifics spelled out in the RFP and the consultant's proposal, modified by subsequent negotiations.

The primary objective of the service agreement is to eliminate any doubt for both parties of what is expected of them during the term of the engagement. It is difficult to anticipate all unforeseen events. A good service agreement should contain language that can conceivably cover a broad range of events, yet be specific as to the primary objectives. Finally, the service agreement should allow final control for the client. Major policy decisions should reside with the client after consultation and after the consultant submits recommendations.

The following are recommended components of a basic consultant service agreement:

- *Identification of the parties.* This item specifically identifies the client corporate entity and the business entity of the consultant, along with the formal business addresses of the two parties.
- *Agreement objective.* The objective specifies the expected outcome of the engagement and provides a brief introduction about the issues to be resolved. It is by no means a statement of guarantee by the consultant.
- *Consultant responsibilities.* The required services are specified in this section. All activities required to achieve a successful outcome must be listed, including appeal, audit, and system and extraneous information services. If something is missing, the final outcome of the engagement may be jeopardized, or cost may become considerably more than anticipated.
- *Client responsibilities.* This section specifies the obligations of the client to the consultant in terms of information and resource support. A competent consultant will have a good idea of the quality and quantity of information available from your firm by the time the initial proposal was submitted. This section establishes the commitment of the client's support of the consultant's actions and efforts.
- *Terms.* This section specifies the time period of the contract, the fee basis, and addresses the use of any third-party service providers. The time period should be specific with no open-ended renewals. If the engagement runs smoothly with successful outcomes, and both parties wish to continue the engagement after the time period expiration, the terms may be renegotiated at that time. Open-ended contracts create ambiguities and confusion after the initial term has ended, particularly with contingency fees for continuing appeal situations. Regarding fees, every conceivable scenario must be addressed. If the fee basis is hourly plus expenses, a schedule of hourly fees by experience level must be included, along with a definition of what is a reasonable expense. It is strongly recommended that hourly fees be billed at least on a monthly basis to eliminate surprises. If the charge is on a flat fee basis, specify the payment schedule. Is it due upon completion of the project, billed upon a certain percentage of completion, or based on a specific time schedule? Contingency fees present a challenge. Because contingency fees are based on a percentage of property tax savings, the tricky part is defining what constitutes property tax savings. Without a doubt, contingency fees must be earned. A consultant that bills for a reduction in assessment in which the consultant's actions had no part in obtaining the reduction should not be compensated. A client should never be billed a contingency fee before receiving a refund check or a credit on the tax bill reflecting the savings. Outside services involve the consultant's use of third-party service providers such as appraisal firms, legal firms, or expert witnesses. Should an appeal to a higher level require these services, a competent consultant

will make provisions for this in the contract. However, should outside services become necessary, the consultant must require that the client approve these services in writing. It may be prudent to also require that the cost of these outside services be deducted from the consultant's contingency fees if that is the fee basis.

- *Termination of the contract.* No-cut contracts are gone. This section of the agreement determines what happens if either party wishes to quit the engagement without cause. Usually, the defecting party must give effective notice to the other before the actual termination date, perhaps a lead time of 90 or 120 days is sufficient. In addition, the terms of final compensation are quantified. However, it would be unreasonable to even include an early termination clause if the project requires a large initial investment in resources at the outset by the consultant.
- *Confidentiality.* In many property tax engagements, the consultant will obtain sensitive and proprietary information. This section of the agreement specifies that, in the event of early termination or at the eventual conclusion of the engagement, all confidential information about the client's business shall be returned to the client, with no copy of that information retained by the consultant in any media form.
- *Ratification.* This essentially is the authorizing signature by officers of both the business entities of the client and consultant.
- *Agent authorization.* Although not a formal part of the service agreement, the agent authorization is an important component of the engagement. This document grants the consultant authority to act on the behalf of the client when working with assessment and taxation authorities and appeal boards. It may be limited by the scope of the engagement and limited by time period. A statement in writing that the authorization may be revoked at an earlier date must be included should the engagement be terminated prematurely.

TRAPS AND PITFALLS

Most complaints involving property tax consultants seem to be centered on two issues: lack of results and performance and lack of communication to the client. Both are questions of competence, not ethics. In the former case, performance is a product of business competence in recurring events, and performance is not guaranteed in appeal events. There is no excuse, however, for not keeping the client informed of the status of the engagement. Competent practitioners have lost lucrative engagements because of noncommunication with the client, despite successful results. This is by far the most prevalent complaint.

During the past several years, there have been isolated incidences of gross unethical practices by a few unscrupulous people in the property tax consulting business. Some of these events have exacted damaging financial costs and damaged the reputation of the client firm. How can the engaging firm guard against these lapses in honesty? One way is to conduct a thorough reference and past client survey. Only consulting firms with long histories should be engaged. Dishonest firms do not stay in business long. This does not necessarily indicate that new firms have a propensity for lapses, but usually, most problems are created by firms without an established track record or by firms not willing to share references.

The property tax consulting business is not generally regulated. One exception is those states that require that all persons performing appraisals in their states be licensed as Certified General Appraisers. These states also forbid contingency fee based appraisals. Abuses exhibited in the industry have led many areas of the United States to expand licensing and registration requirements as well as burdensome pre-appeal information and authorization requirements. The following are brief profiles of some actual unethical situations and questionable practices:

- A consulting firm promising substantial personal property tax savings for a California-based corporation was engaged to render the client's personal property on a contingency fee basis. The consultant filed very aggressively, which resulted in much lower than anticipated personal property tax bills. The consultant was paid a share of the perceived savings. When the subsequent four-year personal property tax audit resulted in substantial escape assessments, the consultant could not be found. The client was burdened with significant escape taxes, penalties, and interest, in addition to the contingency fees paid to the consultant years before.
- The situation of double dipping occurs under an hourly fee plus reasonable expenses engagement. When a consultant is billing by the hour and charging entire travel expenses to more than one client for the same trip or research, it is known as double dipping. If a consultant travels on the behalf of more than one client, the expense of the trip should be appropriately prorated among the different clients fairly. Research already in possession and completed for a prior engagement should not be resold as hourly fees to a new engagement.
- When a consultant makes a commitment to review a large number of client properties and to present appeals on those with excessive assessments, and then proceeds to appeal only the ones with the most certainty, it is called cherry picking. This occurs typically in straight contingency fee engagements or flat fees per property engagements. The deficiency lies in the money left on the table on those properties that should have been appealed but were intentionally neglected.
- Guaranteed savings is an event that occurs typically in the marketing stage as a hook and involves the promise of a specified result. Once the service contract is on the table, no guarantees are evident. It is false to assume that a consultant can guarantee a result without a comprehensive review of all aspects of the property,

particularly the financial performance of a property. Guaranteed results should not be confused with an opinion of a consultant that, based on its research of the market and comparison of like properties, the subject appears to be over-assessed.

- Sticking to the wall, also known as filing blanket appeals, involves a situation in which a consultant files numerous unsubstantiated appeals with the hope of obtaining success in at least a few of them. This practice creates severe ill will with assessors and can damage future success for the client even when justified appeals are filed in the same jurisdiction.
- An ambush occurs when a consultant files an appeal on a property over which it does not have authority or even an informal connection. Recently, an unscrupulous person filed nearly 1,000 appeals on large commercial and industrial property in a metropolitan county in California. This consultant sought to exploit the law in California that states that if the Assessment Appeals Board does not hear an appeal within two years, the taxpayer receives the petitioned assessment requested for that tax year. Employing the ambush and stick to the wall methods, this consultant hoped that out of all of the unauthorized appeals filed, even if a small percentage of the affected companies eventually signed with his firm, it would reap a windfall. This action was not only unethical, but criminal as well.
- Slash and burn happens when a consultant is not sensitive to a client's standing in a community and is over-zealous in its approach to an appeal. Large taxpayers in small communities can be very susceptible to this anomaly. The long-term consequences can far outweigh the short-term gains in property tax reductions.
- The situation of promising senior, but getting junior is self-explanatory, reminiscent of old bait and switch tactics, in which the client does not receive the level of expertise promised in the contract. If junior can do the job, there should not be a problem, as long as the client is billed junior-level fee rates.
- Collusion involves a situation in which a consultant conspires with the assessor to obtain an assessment reduction and usually shares a portion of a contingency fee with the assessor. This is criminal and rare—a practice that was more common 30 years ago.
- Farming out work to other consultants can be an effective and acceptable way for consulting firms to obtain special expertise or supplemental help with an engagement. However, an ethical problem may be created when the client is not informed of the arrangement.
- A reference check can often prevent the scenario of working above the level of competence. Every appraiser and property tax consultant must know his or her limits of ability and experience before entering into an engagement.
- Dropping the ball happens when a consultant's workload is so immense that the

less profitable engagements are ignored for the sake of the more lucrative ones, which presents an ethical problem. If the work was unintentionally dropped, the problem is one of incompetence. On the other hand, if the work is not done, the consultant does not get paid. However, the client misses savings opportunities that may not be recaptured.

QUALITIES OF A GOOD PROPERTY TAX CONSULTANT

What makes a good property tax consultant aside from obtaining results for a client? Integrity. Integrity is the guiding force for all actions and conduct of an ethical and professional property tax consultant. It is the self-imposed standard that encompasses the desired qualities of honesty, fairness, courage, and the desire to do the right thing. Integrity implies a consistency of approach in dealing with clients, assessment officials, employees, and peers. No double standards of behavior are adapted to fit the situation, and no questions of improper conduct arise if the consultant has integrity.

Good consultants constantly look for ways to improve and enhance their education and experience base and to share their education and experience with other professionals and employees.

Professional consultants are cognizant of the fine balance between advocacy and appraisal objectivity. Appraisal objectivity raises the over-assessment issue and quantifies it, but advocacy is the follow-through to resolution for the client. The consultant must possess the courage to tell the client when the perceived issue is not unfair and know when to back down.

A good consultant keeps the client informed and in control of the engagement. The consultant must be sensitive to corporate dynamics and the accompanying political nuances inherent in that environment. The consultant should be able to present solutions as well as identify problems. Correction of an appeal should be seen as an opportunity, not an obstacle.

CONCLUSION

By following some commonsense guidelines, a corporate property tax manager can make productive use of property tax consultants. The hiring process involves establishing the quantitative and, more importantly, the qualitative differences between competing firms. Quantitative differences are identified in the proposal process. Qualitative differences are found in the background reference survey.

The corporate property tax manager must maintain ultimate control of the engagement and provide the information necessary for the successful resolution of the issue. The corporate property tax manager must also be knowledgeable about various ethical lapses displayed by a minority of consulting firms in this highly unregulated business.