

# Dr. Irene Hickman - The Assessor Who Shook Sacramento

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Traditionally, the county assessor has the safest, quietest, most benign position in county government. Most citizens would be at a loss to name their assessor and this fits with the general view that if the assessor is really doing a good job, you will never hear of him—or her. It is therefore astounding that Dr. Irene Hickman, Sacramento County Tax Assessor, is one of California's better known political personalities in a state that boasts such political figures as Ronald Reagan, Max Rafferty, Jesse Unruh, George Murphy, Sam Yorty, and Shirley Temple Black. This unusual situation came about because of two widely variant factors: Irene Hickman's personality and style—which would bring her publicity and notoriety even as the social chairman of a rural PTA—and her assessment policies, aimed at alleviating inequities in taxation by shifting some of the burden from homeowners to land speculators. Both factors led in July 1968 to a county recall election which attempted to oust Dr. Hickman.

The whole thing supposedly started when Dr. Hickman protested an assessment on her property. In ruling against her the judge said, "If the homeowners don't like the way they are being assessed they can elect a new assessor." So Dr. Hickman ran for office in the summer of 1966, campaigning for assessment equalization and reform. She represented change and appealed to many when she argued that the big land owners were under-assessed and the little people were supporting them.

## Equality in Assessment

From the day she campaigned for election, the major issue for Dr. Hickman was the equalization of assessments. Why homes should be

assessed at 25 per cent of market value and vacant land as low as one per cent was beyond her. True, homeowners demanded certain services (sewers, lights, schools, fire and police protection) that land when it is totally vacant doesn't (but which vacant lots do when they are mixed with improved lots). But, on the other hand, the value of the lots increased as the public's money established the services and built freeways, fair grounds, and state office buildings on adjoining properties. Sacramento's new airport and the freeway leading to it tempted a nearby farmer to apply for a rezoning of 20 acres of his land. Formerly appraised at \$16,000 the acreage would have jumped to \$200,000 if zoned commercial. Dr. Hickman blocked the request and cites it as an example of potential private gain from public investment. She feels that those who pay for the improvements should reap some of the benefits.

During her campaign, Dr. Hickman was incensed to discover that the Save the American River Association, which was collecting funds to buy river front property in suburban Sacramento and donate it to the county as a park, was going to pay \$3,000 an acre for land appraised at \$120 an acre. In her logical way Dr. Hickman reasoned



that if the land isn't worth much for taxation purposes, then public agencies or private parties should not have to pay any more when they seek to acquire the property.

If, in fact, the property has a market value of \$3,000 then the assessment and the tax bill should reflect that. Adding insult to injury in the case of American River



property, the land development firm which owned it had neglected to pay their \$14.60 tax bill.

Establishing a consistent ratio for all types of property was one problem; estimating actual market value was another. Because the value of vacant land, particularly, is subject to sudden and frequent shifts, Dr. Hickman felt that such property should be appraised more frequently than residential and commercial properties. Consequently two related actions occurred immediately following her oath of office: (1) appraisers in the assessor's office were sent to school so that they could learn how to appraise *land*; and (2) selected tracts of land—country clubs, golf courses, and areas of recent expansion by new business or industry—were reappraised and appreciated in value on the assessor's records. Opponents accused her of "Robin Hood" tactics, upping the assessments on the rich in order to balance lowering appraisals on over 30,000 homes in the under-\$20,000 bracket. They called this a "purely political move" to buy the votes of lower income groups. As they saw it she was out to get the land speculators and large land owners, important people in the community who—according to the popular myth—take many risks to further community growth, and who, therefore, should continue to be compensated for their self-designated "risks" by low assessments and tax rates. After all, what's good for General Motors is good for America.

This contrasts somewhat with Dr. Hickman's view of "land speculators". In her opinion they are responsible for urban sprawl, the spread of slums, and the disintegra-

tion of central cities. A tax on land alone would discourage slums because slumlords would be forced to build high-quality, high-return improvements in order to make profits above the higher land taxes. Low appraisals (and low taxes) on land inflate the selling price and encourage doughnut ring development around cities; fair (and higher) appraisals encourage lower selling prices and the development of property.

### Upholding the Law

About a month after taking office, the new assessor gave the opposition their issue when, in an aside to *Sacramento Bee* reporter Aaron Epstein, she mentioned that she would be assessing property at 100 per cent of market value. This announcement caused as much commotion in Sacramento as a similar cataclysmic event did in 1906 in San Francisco.

To Dr. Hickman, however, the issue was quite simple and straightforward. She had taken an oath (on her own Bible) to uphold the law of the land and the law required assessment of property at 100 per cent of market value. Opponents immediately argued that the effects would be disastrous. School districts formerly defined as "poor" and able to get federal funds to support their programs would now find themselves defined as "wealthy" due to the increase in assessments in their district. Some 30,000 veterans' exemptions would be jeopardized because the assessed value of their property would be raised above the maximum allowable (\$10,000 for a married couple, \$5,000 for a single person). And, of course, the homeowners' taxes would be quadrupled. Dr. Hickman didn't really see what all the fuss was about. It was her duty to obey the law and she didn't think it would be much of a problem for the other agencies to adjust their taxing and exempting policies. If she could multiply by four, they should be able just as easily to divide by four. In fact, Dr. Hickman—with the aid of a local senator—had a bill ready to introduce into the state legislature which would deal with this situation.

### The Law hits back

The 100 per cent issue was complicated by Assembly Bill 80, recently passed by the California Legislature. AB 80 required that all property be assessed for tax purposes at 20 to 25 per cent of full cash value until 1971 and after that date assessment should be at a uniform 25 per cent of full cash value. The California Supreme Court settled the issue of which law to obey in June 1967. They ruled against Dr. Hickman and the Constitution and for AB 80. A sigh of relief was heard from Sacramento County. Dr. Hickman reacted in a not atypical manner. She reported that since she was blocked from going to 100 per cent she would aim at the state-wide average which is somewhat between 20 and 25 per cent. She further reported that this might mean 22 per cent one year, 20.8 per cent the next year, 23 per cent the next and so on. She decides which rate to use by "trying them on like a pair of shoes". For her second year in office, "23.6 felt right—it fit, and it has such a wacky factor". She admits that partly she was being obstreperous but mainly she was pointing out how much easier, simpler and more straightforward it would be to go to 100 per cent. In fact most local experts agree that the reaction to the 100 per cent issue was out of proportion to its significance in the saga of Irene Hickman. They agree that 100 per cent would be fine if only the whole state went to it (which was what Dr. Hickman intended) and not just one county. What did rankle and irritate the local powers was her "vindictiveness", her manipulation of the ratio in all directions after her attempt at 100 per cent was blocked.

The yearly fluctuation in the assessment ratio (23.8 per cent her first year, 23.6 per cent the second) led to charges of irresponsibility by



county officials and businessmen. Although satisfied to leave the impression of capriciousness, she

could defend her decision to those bold enough to ask. In order not to be at a disadvantage relative to other counties in the state, Sacramento County's ratio of assessed value to "actual market value" should be as close as possible to the state-wide average. Otherwise, Sacramento would be paying more than its share of taxes in service districts which overlap county lines and would be receiving less than its share of state support where that support is based on assessed valuation.

Perhaps the major criticism of Dr. Hickman by city and county officials and local businessmen is not that she is directly damaging the community but that she is allegedly creating a climate of uncertainty and instability which they claim is chasing business and their inventories out of the county. As one of her opponents said, "You don't like to go to dinner where the husband and wife are always arguing." One county official points to charts on his office wall which he says suggest that Sacramento County—usually above average on several economic indices and a leader in establishing new economic trends in the state—may be falling below the state-wide averages for the first time. In response Dr. Hickman produces charts showing building permits up for the first time in five years and the dollar value of building permits up even more sharply. This, she says, just goes to show what proper assessing policies can produce. If so, says the same county executive, why don't the 1968 assessment rolls reflect the 5 to 6 per cent growth rate estimated by the County Board of Supervisors? Because, replies the woman with the answers, the rate was only 2.4 per cent. The State Board of Equalization, which keeps assessors honest by independently appraising a sample of properties in each county, was more in agreement with Dr. Hickman. They measured the growth at 2.8 per cent.

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*The story of the attempt to remove Dr. Hickman from office will appear in our next issue.*