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WHEN WILL EQUALIZATION BE ACHIEVED?

CHARLES B. RANDALL*

Tax Attorney, Natural Gas Pipeline Company of America**

I

The topic has been framed deliberately as a query to dispel any illusion that the assessment process has attained universal equitable application. That it has not, save for a few approximate approaches, is hardly debatable. Except for interest in the subject which has manifested itself within the past five years, it can be said similarly, without contradiction, assessments of thirty, yes, twenty years ago attained a better degree of equality both in high degree of percentage levels as well as in uniformity. Applying a maxim well-known in tax-assessment administration—Where high ratios exist, attention is more markedly focused on inequities—high ratios more aptly reveal inequities and tend to force corrections than is inherent in low ratios. This is merely to suggest, in the author's opinion, the application of high ratios, in the long run, will serve best to achieve an equitable program. The retrogressive process which has beset assessment levels in a downward spiral is the major cause contributing to the lack of equality, uniformity, and the essential equities guaranteed by federal and state constitutions. Data is available to support this fact, not in a few, but in many state jurisdictions. One illustration will suffice. In 1933, real property in Kansas was assessed in the amount of \$1.78 billions, while its true value as evidenced by the state ratio study was \$2.06 billions—an assessment ratio of 86 per cent. In 1955, assessments totaled \$2.2 billions, while the true value was \$10 billions, or a ratio of 22 per cent. The state ratio study for 1955 discloses a wide range of county ratios varying from a high of 52 per cent to a low of 12 per cent.¹

The problem presented in the taxation of property is: How may assessments be ascertained and determined to attain the highest degree of equality and uniformity? Cooley in his *Law of Taxation* states, "Equalization of assessments has, for its general purpose, to bring the assessments of different parts of a taxing district to the same relative standard, so that no one of the parts may be compelled to pay a disproportionate part of the tax."² Reference to the provisions contained in state constitutions discloses general language to the effect that the legislature shall provide for a uniform and equal rate of assessment and taxation. In the passage of

*This article is not to be considered the official view of the company with whom the author is associated.

**Also Tax Attorney, Texas Illinois Natural Gas Pipeline Company, Natural Gas Storage Company of Illinois, Peoples Production Company, and Texoma Production Company, Chicago, Illinois.

1. STATE COMMISSION OF REVENUE AND TAXATION, RATIO REPORT (1955).

2. 3 COOLEY, TAXATION, para. 1195 (4th ed. 1924) and cases cited.

time, certain states have developed classifications of property for assessment purposes. In fact, thirty-nine states classify properties, while only nine states maintain rigid non-classification either in toto or to a major extent. Notwithstanding the pattern in these varying jurisdictional areas, real estate, which is the major tangible wealth in all taxing jurisdictions, incurs and endures shameful assessment treatment in too many locations. Being of a tangible characteristic and readily susceptible to direct comparison, township by township and county by county, it is indeed perplexing to comprehend the tax offenses perpetrated in its name. Fortunately, both taxpayers and those that exist on the fruits of property assessments in increasing numbers have awakened to the problem that the biggest single business within their areas is on the verge of bankruptcy. It is therefore encouraging to observe that state and civic groups have aroused their constituents to the need for improvement, not only in the assessment process, but as well to enlarge the assessable base. Supplementing this activity, legislative committees have been created and are devoting their energies to solutions. In certain jurisdictions both state and local administrators either on their own initiative or in response to public demand are now active. Lest this encouraging devotion to duty be thought to have general application, a factual recitation must candidly admit there are areas where drifting still continues with cumulative worsening of conditions. Here, we can only suggest unless this indifference is arrested, the impact will be more severe than expected—and at the expense of the tax contributor. It is to be hoped a recitation of achievements, programs initiated, and efforts of a wide variety, all centered on improved assessment techniques will arouse the lethargy of the drifters to take action. It is therefore appropriate to enumerate accomplishments that have improved the assessment process as well as programs now under way or in process of formulation intended to accomplish the same result.

II

Wisconsin

Such a recitation cannot omit actual accomplishments in Wisconsin. There, property valuations are determined by the Property Division of the Department of Taxation. Seventy-one counties are divided into four districts, each with a supervisor, four or five assistants, and a small clerical staff. These relatively small regional staffs assemble the necessary data for the central office at the Capitol to make the state assessment and compile information for local assessments. Local assessment officers, during the past fifteen years, with few exceptions, have adopted the total assessment as determined by the Department of Taxation. The regional staffs also conduct annual schools of instruction for assessors, assist assessors in the performance of their duties, attend and assist board of review, and also serve the public and public officials in matters of assessment and

taxation. The command of the constitution as interpreted by the supreme court is that both real and personal property shall be assessed uniformly as to value. This applies equally to assessments at the local and state level. Sales ratio studies are maintained on an annual basis and each regional area uses this data to complete a revaluation of property each year. Properties assessed at the state level are at full value. Equality of tax treatment is assured to this class of property in this manner: Should local assessment levels be found to exist at 90 per cent rather than full value and the average of local rates is 48 mills, the Tax Commission will apply 90 per cent of 48 mills, or 43.2 mills to their assessments. General parity in taxation is thus achieved. While this process may not be subject to any general criticism, it appears a complete equitable treatment would be equalization of state level assessments at 90 per cent, and the subject properties taxed according to levies at locations rather than the average of local rates. The key to good assessments in Wisconsin lies in good original assessments at the local level, annually revised where necessary, coupled with adequate supervision and assistance from the state level. Thus equalization is primarily accomplished in the initial instance.

Oregon

The State of Oregon in 1951 began a positive program to correct inequalities in local assessments. It was determined an appraisal should be made of all classes of property on a cooperative basis by both the counties and the state. By July 1, 1954, the Tax Commission had executed contracts with fourteen counties for complete revaluations and modernization of basic records. Reappraisals had been begun or completed in five additional counties relative to selected classes of property. The 1953 legislature provided for a County Relations Program Section in the Tax Commission. Provision was made for qualified men in the field for consultation and advice to assessors, county courts, boards of equalization and citizen groups. The Tax Commission through the assistance program makes ratio studies of all counties. The 1953 legislature likewise created a special Interim Tax Study Committee to study, recommend, and draft bills to accomplish among other things: Define "true cash value" for real and personal assessments, and methods to insure equalization among classes of property.³ The legislature has enacted the "true cash value" basis for assessment purpose, which will become effective January 1, 1961. However, this basis is joined with other statutory language reading "or a percentage thereof, applied uniformly to all classes of property within each county." It is estimated the state's contribution to the cooperative appraisal-equalization program for the period 1951-1961 will approximate \$2.5 millions. Oregon, thus, has a well-organized and integrated program under way, and through the energies of its Tax Commission will, without question, create a plan worthy of emulation.

3. REPORT OF LEGISLATION INTERIM TAX STUDY COMMITTEE (1953-1955), p. 7.

Washington

The State of Washington, after its legislative committee found that assessment ratios ranged from 11.2 per cent to 23.2 per cent in 1952 and 1953⁴ and its assessment process was badly run down, concluded the situation needed attention. The 1955 legislature therefore enacted a "Revaluation Act,"⁵ which requires a statewide revaluation to be completed before June 1, 1958. The Tax Commission is now actively engaged in this undertaking.

South Dakota

South Dakota partially achieved an improvement in its equalization program in 1955. The State Tax Commission with data at hand showing county assessment ratios varying from 15 to 50 per cent endorsed a legislative enactment requiring full value assessments under a County Director of Assessments with complete assessment authority and the elimination of the conventionally selected local assessors. The legislature, however, appended an alternative which permits counties to continue the local assessor method under a County Supervisor with only supervisory authority. Thirty-nine counties adopted the director and twenty-five the supervisor form for assessment purpose. As might have been expected the dual county scheme did not attain the intended purpose of uniformity in assessments. In 1956, twenty counties made an attempt to comply with the statutory full value requirement. Their composite effort was 70.08 per cent of full value. The State Board of Equalization thereupon directed assessments be made at that level. It is expected the experience developed in 1956 will compel the legislature to repeal the supervisor plan in 1957. However, notwithstanding the dual system, considerable improvement in county equalization was achieved and better results are expected when the director system becomes the exclusive assessment process.

Missouri

Ratio studies made in Missouri under the auspices of railroad and utility companies covering a period of several years showed glaring disparities in county assessment ratios. This data revealed the weighted combined ratio of urban and rural properties at 25.4 per cent of sales considerations in 1953, and 25.89 per cent in 1954. The disturbing feature disclosed by the studies of these years was the wide variation between county levels as well as the lack of uniformity between urban and rural properties within given counties. With this data at hand, the State Tax Commission, supplemented by additional data in 1955, began an intercounty equalization

4. A STUDY OF REAL PROPERTY ASSESSMENTS IN THE STATE OF WASHINGTON, a report of the Subcommittee on Revenue and Taxation of the Washington State Legislative Council, (1953-1955) Biennium, prepared in cooperation with the Property Tax Advisory Committee, December, 1954, p. 15.

5. WASH. SESS. LAWS 1955, c. 251.

program to attain a 30 per cent level of both urban and rural properties. Twenty-six counties were found to have ratios below 20 per cent for urban and rural assessments. Accordingly, these counties were raised to 30 per cent. In 1956, similar action was taken affecting forty-six counties where respective ratios were 20 per cent and below 30 per cent. In this year twenty counties acted on their own volition and brought urban and rural ratios to 30 per cent. Thus in two years the action of the Tax Commission has resulted in urban-rural equalization within ninety-two of the state's one hundred and fourteen counties.

Kansas

Kansas made a bold attempt in 1955 to cure its intercounty and intra-county assessment inequalities and partially succeeded. A committee composed of legislators and public personnel devoted two years to a study, drafting a report and bills which would have placed the state, if fully enacted, on a base tantamount to full equalization. The program envisaged a plan undertaken in Illinois in 1945, except for the assessment level to be attained. It included: (1) a County Supervisor of Assessments with county unit supervisory authority over assessments with a direction to assess at 50 per cent, and (2) a duty imposed on the State Board of Equalization to maintain uniform intercounty equalization at a 50 per cent level by the application of necessary multiplication factors. The first part of the recommended legislation met with partial success, but the second portion could not survive the criticism of the governor. He maintained that a proportional shift in basic valuations would occur if the proposal was enacted imposing more on local properties and less on utilities. His apparent reasons were that local assessment ratios ranged from 12 to 52 per cent, while utilities were estimated at 45 to 70 per cent and that farm land comprised 31 per cent of the total valuation, urban 22 per cent, and utilities 17 per cent, whereas the new enactment would change the basis to 36 per cent for farm lands, to 34 per cent for urban, and to 11 per cent for utilities. Thus it was alleged there were "stingers" in the proposed enactment favorable to public utility corporations. This criticism is particularly unique where, as in Kansas, the state constitution requires uniform and equal assessment of all tangible properties. It is regrettable that criticism of this type should have defeated legislation founded on equity and uniform treatment. It is hoped the proposal will be reintroduced in the 1957 legislative session. The study committee's recommendation on the county supervisor feature contemplated such an officer in all counties. However, as enacted, counties could secure such an appointive officer provided 20 per cent of the electorate petitioned the county board therefor. This qualification is unusually high—so high that no county has yet qualified. Consequently, to date the good purposes of the Kansas study committee have availed the state but naught. The forthcoming legislature holds promise. There is no doubt Kansas needs help.

Illinois

The Illinois plan, which combined an annual mandatory application of factors by the state for intercounty equalization with a county supervisor system, and which Kansas attempted to emulate, was enacted in toto by the Legislature in 1945 and 1949, respectively. However, the county supervisor of assessment portion of the legislation survived only one year when the supreme court⁶ disposed of it on constitutional grounds. Re-enactment of somewhat similar legislation in 1953 on a county permissive basis has been adopted by fifteen of the one hundred and two counties. At least one of the noticeable accomplishments of the supervisory program, within the brief period since its enactment, is the quantity of property, formerly omitted, which has been restored to the assessment rolls. Likewise better assessment levels have been attained within the several county units, but much more is to be desired. It can be said, however, that the supervisor system, where utilized, generally reveals a better over-all scheme of assessments and equalization than prevails in non-supervisory counties. The state equalization program, which has for its purpose the use of equalization factors by the State Department of Revenue to accomplish statewide equalization, has not attained its original legislative purpose. The intent of the law was to provide an annual equalization at full cash value. The first year the law became operative, in 1946, the Department of Revenue determined the county equalization factors by averaging sales ratios of 1942, 1943, and 1944. The middle year was given a double weight. This process plus an allowance to balance the effect of anticipated inflationary values has been the formula in succeeding years, except the double weighting of the middle year has been eliminated. Accordingly the equalization factors in 1946 attained a level of approximately 75 per cent rather than 100 per cent of market value. The so-called inflationary element in the formula has not been eliminated in succeeding years. Prior to the enactment of the full value equalization program, the general level of county assessments was approximately 46 per cent. To compensate against possible confiscatory taxation following the enactment of the assessment equalization law, tax rates were reduced to approximately one half of former levels. This was a justifiable action in 1945. However, the high level of assessments contemplated by the equalization law has not been maintained. In many cases county equalizers have remained constant for a number of years, as for example in Cook County, wherein Chicago is located. There the factor remained at 1.41 for the period 1951 through 1954, and 1.40 in 1955. Clearly these factors, as others, have not related assessments to annual incremental increases in property values. Based on independently conducted ratio studies, the State Department ratio multipliers are at present generally regarded as actually attaining a state equalization level of 50 per cent. Generally, equalization on an intercounty

6. *Giebelhausen v. Daley*, 407 Ill. 25, 95 NE.2d 84 (1950).

basis has been maintained even though on a progressively downward percentage ratio. There are nevertheless discrepancies in the several county ratios. These, it is thought, would have been removed to a major degree had the program embarked and remained on a full value basis with changeable factors under minimum tolerances. The present equalization level of 50 per cent has compelled schools in particular to resort to referenda to supply sufficient revenues. Municipalities have been rescued from a similar plight by a permissive retailers' occupation tax of one half of one per cent effective in 1956. More than 850 cities and villages have availed themselves of this tax. While county equalization in Illinois under the present act is admittedly more in keeping with the term than existed prior to 1946, yet the static circumstances heretofore related, if continued, will progressively minimize the original wholesome intent of the legislature. Any deterioration in an assessment or equalization program usually gains yearly momentum, and after it has reached a certain downward level, a return to the original premise is most difficult.

California

The California State Board of Equalization has experienced a rather unusual series of events in its endeavor to achieve a status of equalization assessment. In 1911, it abandoned the ad valorem field as a source of state revenue. Coincidentally, intercounty equalization was unnecessary. The assigned task of utility assessments to the State Board for local taxation in 1935 restored the necessity of equalization. However, equalization created such a public furor, its effectiveness lapsed after 1937. By 1949, the economic wealth of the state had attained considerable proportions, yet its equalization was static and ineffective. Thus, the legislature was compelled in that year to enact a law requiring the State Board to make a comprehensive annual survey of each county assessment ratio status. Pursuant to this law, ratio findings were made in 1951. But succeeding legislatures have postponed the operative date of the law to 1957. Despite the postponement action, a 1952 Committee of the Senate began a study of the State Board's equalization study of 1951. This committee made a voluminous report in 1953,⁷ which was critical of some of the State Board's policies, but in general agreement with its findings. On the strength of the report, a substantial legislative appropriation was made to permit the completion of the study by the State Board by 1955. This study has involved a stratified sampling of all fifty-eight county assessment rolls and the appraisal of approximately nine thousand randomly selected real properties, and four thousand personal property holdings. Premised on this data the State Board in 1955 cited nineteen counties for hearings. Fourteen county assessments were raised to a statewide level of 23 per cent.

7. REPORT, SENATE INTERIM COMMITTEE ON STATE AND LOCAL TAXATION, March, 1953.

During fiscal 1955-56, the State Board appraised samples in ten counties, and estimated assessment levels in the remaining counties by trending the results of the study of the prior year. One county was found clearly beyond the permitted 20 to 30 per cent tolerance zone, and as a consequence was directed to increase its assessed values by 25 per cent to equalize at the statewide level, which was again found to be approximately 23 per cent for 1956.

The state has begun a program which contemplates sample appraisals in each county at least once in four years and each year in Los Angeles County. The Board expects to estimate the assessment for any county not surveyed in a given year by trending the results of the last study. Additionally, local assessors in many parts of the state are actively engaged in reappraisal programs designed to bring appraisal records up to date. As a result substantial progress is being made in California in intracounty as well as intercounty equalization.

New York

New York has established a national reputation for its excellent ratio studies. Its State Board of Equalization and Assessment annually establishes equalization rates representing the ratio of the assessed valuation to the full value of taxable real property in each of the cities, towns, and villages in the state. These rates are used for many purposes including the apportionment of state aid and the apportionment of local property taxes levied for school districts located in more than one assessing unit. While the Board sets equalization rates, it does not modify any local assessment roll. That is to say, the tax rate is used to equalize the incidence of the tax burden of people living in a local governmental body located in two counties or two cities. For example, a school district located in city A has assessed valuation of \$1 million and an assessment ratio of 25 per cent, and in city B has assessed valuation of \$3 millions and an assessment ratio of 50 per cent. Properties in both cities are raised to full value of \$4 millions and \$6 millions, respectively, and the "shares of tax levy," based on the total full value of \$10 million, are 40 per cent and 60 per cent, respectively. If the school district budget totals \$150,000, city A must raise 40 per cent of the budget, or \$60,000, based on the aggregate full value of the district; likewise, city B must raise 60 per cent of the budget, or \$90,000. The tax rate levied for city A would be \$60,000 divided by the assessed valuation of \$1 million, or 60 cents per \$100 assessed valuation; the tax rate for city B would be based on the proportionate part of property at full value to the total school budget—or \$90,000 divided by \$3 millions assessed valuation, or 30 cents per \$100 assessed valuation.

The equalization process employed in New York, known in some quarters as the "variable-ratio method," commends itself to many as

preserving local home rule and avoids repercussions likely to follow the use of the "uniform-ratio method" or "across-the-board" adjustment of local assessments. Had New York employed the "across-the-board" method separately to the local assessments in the two schools proportionately to their ratios, equalized values after such application would have been \$4 millions and \$6 millions, respectively, and a common tax rate of 15 cents per \$100 valuation in each district would have produced a proportional tax. The significant difference in the New York approach is that local assessments remain unchanged; local assessors are kept in a good frame of mind; and lastly, taxpayers who are prone to "holler" when assessments are increased are beguiled by low ratios. Probably the "stinger" in the Kansas situation might not have been observed had the New York formula been used.

Arkansas

The 1955 Arkansas legislature declared "that great inequalities and discriminations in property assessments now exist throughout the state, that there is urgent need for equalization."⁸ It thereupon enacted a law⁹ to require a complete new appraisal and assessment as of January 1, 1957, of all property, both real and personal. The Public Service Commission was directed to furnish guidance, instruction, and assistance to the county assessors who were charged with the duty of actually making the new assessment. Within the Commission there was created a "Division of Assessment Coordination" which was furnished a substantial appropriation for the purpose of preparing sales-ratio studies and lending its complete assistance to the local officials in the performance of their tasks. The aim of the legislation was to attain a statewide equalized assessment of 20 per cent of full value. With a design to assure fulfillment of the plan, the legislature provided a proportional withholding of state aid to counties, municipalities, and school districts to the extent of the 20 per cent level of assessment that was not met. Thus state aid would be restricted within such counties where the ratio was less than 90 per cent of the 20 per cent base. The measure of restriction would be determined by dividing the local assessment ratio by 20 per cent. For example, should a county assess at a 15 per cent level as determined by the Commission, it and the governmental units therein would receive 75 per cent of full aid ($15\% \div 20\% = 75\%$). Such units would lose 25 per cent of otherwise distributable aid.

Railroad and public utility companies have made sales-ratio studies in Arkansas for the past six years. Such a study is in the process of completion for 1956. The study for the first year, 1950, showed a statewide ratio of 13.41 per cent, while the latest completed study of 1955 was 12.32 per cent. Each year's study has shown a wide variation in county ratios as well as

8. ARK. SESS. LAWS 1955, No. 153.

9. *Ibid.*

between and within urban and rural properties. In 1955, county ratios varied from 6.77 per cent to 22.09 per cent, urban from 7.25 per cent to 23.86 per cent, and rural from 6.15 per cent to 25.32 per cent. The railroads and utility companies were motivated to make the ratio studies due to a directive of the Public Service Commission (Tax Division) stating that their properties were to be assessed at 50 per cent of full value in 1951. The local authorities, although annually directed to apply similar ratios, have ignored such directives. The effect of ratio studies caused the state to rescind its order and restore the public service company assessments to 20 per cent, a basis still ignored by the county officials. However, the cumulative effect of the succeeding yearly ratio studies attracted the attention of the Arkansas Expenditures Council and school officials. They recognized that the gross inequalities in the assessment process, the inequitable unfairness developed in the distribution of state funds on the existing basis, and the limitations imposed by many abnormally low ratios were all, in their cumulative weight, sufficient to obtain enactment of the new plan under the sponsorship of the Council and the educators.

The Arkansas plan began with little enthusiasm on the part of local officials. The executive department was charged with an indifferent attitude toward the program. However, to the credit of Governor Orval E. Faubus, it can be said there is no doubt of his support of the program. At a meeting of local tax assessors in November 1955, he stated that he and the State Commissioners would carry out the equalization program to the letter of the law, and all local officials would be held to their mandatory duty to do likewise. With this assurance, Arkansas should in 1957 cure what has been an archaic condition.

New Jersey

The foregoing enumeration of equalization activities is by no means a complete recitation of the excellent work performed or beginning in other jurisdictions. Thus the rekindled interest in equalization in New Jersey cannot be overlooked, where equalization was merely a by-word for a century until 1954, when it became necessary to distribute \$32 millions of state aid to schools. This task made necessary a ratio study for equitable distribution of the aid within 567 districts of the state. Now that the study has been undertaken, there is need for its continuance for proper distribution of additional state aid and to equalize the pro rata obligations of the several districts to defray the cost of county government. It is of interest to note that a constitutional amendment which would permit each taxing district to select its own ratio of assessment was before the electors in November, 1956.

Texas

The state of Texas leads in the production of oil and gas. These

properties comprise a major portion of the taxable wealth of the state. Because local assessors are not well versed in evaluating such properties, most of the counties and school districts employ valuation firms for that purpose. While for many years these firms have used a pipeline and well equipment schedule as well as varying formulas for production, taxpayers have no assurance of uniformity of utilization of these means in all counties or school districts. School districts in particular are prone to factor these yardsticks to meet their monetary needs. Thus it is not uncommon for a property located in a school district to be assessed twice the valuation acceptable to the county. Not infrequently utility (oil and gas) properties are assessed at separate ratios for county, school, and municipal purposes with a situs in one county. Local properties may or may not be factorized in the same manner as utility property. Texas has no statewide intercounty equalization and little intracounty equalization as measured by bona fide standards. Taxes collected for state purposes as well as state distributions are not equitably borne or apportioned. Under these unusual circumstances, it is remarkable assessments are acceptable to taxpayers with so few contests. The prevailing system is so entrenched throughout the state there appears to be little possibility a change will occur.

Others

In Louisiana, Governor Earl Long has directed the Tax Commission to make a statewide survey of the ratio of assessments to value in order to eliminate inequities and allow local governments to secure increased revenues.¹⁰ The equalization program in Kentucky dates from 1949. It is based on (1) utilization of sales-ratio studies and sample appraisals, (2) statewide reappraisals at frequent intervals, and (3) improvement in local assessment administration. Several other states, including Colorado, Minnesota, and Nebraska, have recently employed ratio studies for equalization purposes.

While a number of states, as partially enumerated, are moving in varying degrees toward uniformity and equal assessment treatment, there are areas where equalization has been by-passed. In some areas administrators console themselves by supplying instructions and manuals or providing assessor schools as adequate expendable efforts to achieve equalization, and yet patently it is not achieved. Sufficient equalization authority resides in all jurisdictions, yet in places its disuse has become a habit. Some administrations, in justifying the status quo, challenge the adequacy of assessment ratio data in that it covers only sale transactions, while no data is furnished regarding the greater quantity of property not sold. It may well be asked—How can such data be devoid of substantive value when yearly data cumulatively refutes the assertion? (Note the assessment data in reference to Kansas and Arkansas, *supra*.) These, and more reasons

10. P-H STATE AND LOCAL TAX REPORTS, Bulletin No. 12 (September 18, 1956).

offered in support of inaction challenge the patience of taxpayers and no less this author, who, with due apologies, has both enjoyed and endured the vicissitudes of life in the tax vineyard for thirty-five years. Without a desire to unduly belabor the issue, the question appears to be—Would a business enterprise be dormant and non-responsible to current economic conditions? The answer is obvious. Are the functions of government—equalization—no less a business enterprise? A highly important one? Again the answer is obvious. The trend is definitely toward uniformity and equality through equalization. Accomplishment will be hastened when the drifters awaken to realities.

III

When will equalization be achieved? The answer to this question rests solely in legislation comprehensively planned in every detail and unswervingly and devotedly administered. Equalization, if it is to be attained at all, must start at the bottom, not midway or at the top. The local level must be the point of origin in the program. The county as a unit should be the initial area. Within this area a well qualified adequately compensated individual should be appointed to serve as director on a full time basis. He should be vested with complete authority in all assessment matters subject to his jurisdiction. The director should have authority to appoint a staff of his selection versed in appraisal and valuation of property. This personnel, although not necessarily devoting full time to the task, should be paid sufficiently to attract high caliber workers. At the state level, it is suggested the administrative body should create a Property Tax Division, consisting of a director, engineers, mapping technicians, an agriculturist, accountants, and such other personnel as necessary to meet the particular and diversified problems unique within a given state. A supplemental field staff also should be provided and located in geographical areas of the state. This staff should devote its efforts in working with local assessors, assisting them in the performance of their duties in liaison with the central staff and director. The local staff, with the director, additionally, should conduct schools of instruction for assessors, assist local boards of review as well as serve and inform the public in matters of assessment and taxation. Those in the local staff should be yearly employees chosen on ability and also well compensated. What measure of assessment should be adopted? The author recommends full cash value, namely 100 per cent. A lesser percentage is an admission that tolerance from full value is acceptable. Experience shows any such indulgence feeds on itself. A firm initial debasement shortly becomes infirm. Moreover, as previously expressed, high ratios are more apt to focus attention on inequities, and, accordingly, result in corrective measures to a greater degree than in cases where low ratios exist. Is a full value ratio difficult or impossible of attainment? The answer is no. For the

past ten years, at least, full value has been the base in Wisconsin as local and utility tax representatives will attest. To maintain such a level annual appraisals and revaluations are a requisite. Will a full value equalization program as outlined be a costly undertaking? The answer here depends on the status of the present program in the particular state. Assuming a state has the conventional township part time assessor plan, a non-existent field staff, and only a token state staff, the initial cost of inaugurating a complete program would be a major item. Observe the state of Oregon where a reappraisal and equalization program is in progress. The legislature there appropriated \$600,000 for the biennium 1951-1953. The program which is scheduled for completion by 1961, on a cooperative expense basis between the counties and the state, is expected to cost the state two and one half million dollars over the ten-year period. After a complete program has once been established and is functioning, expenses should be reduced to a payroll and office expense basis. On the other hand, in Misosuri, where an "across-the-board" equalization program was conducted in 1955 and 1956, assisted in part by available data supplied by railroads and utilities, expenses incident thereto were negligible. Here, of course, no central or regional staffs were created.

The relatively recent recognition of existing inequities in the assessment valuation field is indeed encouraging. While recognition is encouraging, a remedy is better. It is hoped administrators will soon react to the challenge. Only by intensive work, planning, and action, will the goal be reached and equalization achieved.