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BUREAU OF GOVERNMENTAL RESEARCH

825 Girod Street
New Orleans, LA 70113
Phone 504-588-2052
Fax 504-588-2044
www.bgr.org

BGR REPORTS...

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Why Consolidate Assessors?

The push to consolidate the seven-assessor system in Orleans Parish represents a necessary first step forward in reforming assessment practices in New Orleans. It will end an Orleans-only exception to statewide organization of assessors, allow for the redirection of wasted public dollars, and focus public scrutiny on a single administration. It is important to note, however, that reducing the number of elected assessors from seven to one is not guaranteed to solve New Orleans' assessment woes. A new professionalism, focused on ensuring accurate and fair assessments, will be necessary to make the reorganization meaningful.

Seven Reasons for Consolidating Seven Assessors

- 1. *The system is wasteful and misallocates resources.*** The assessment system in Orleans Parish is ridiculously top-heavy. Basically, New Orleanians are paying for seven CEOs when one would do. These CEOs cost Orleans Parish taxpayers over \$676,000 a year for salaries and expense accounts. By contrast, the salary and expense allowance for the assessor in Jefferson Parish total approximately \$115,000. The difference is more than \$560,000. These resources, not to mention additional amounts spent on related pension and health care benefits, could be redeployed to create a more efficient and properly staffed and equipped organization.
- 2. *The multiplicity of assessors exerts a corrupting influence.*** Assessing property may be a combination of art and science. It is not, however, meant to be a subject of negotiation or to reflect personal relationships and circumstances. Having multiple, district-based assessors encourages and abets personal relationships between the assessor and the assessed, subverting objectivity. This is a nexus that must be broken to create a fair and equitable system.
- 3. *One man's tax break is another man's tax increase.*** The overly cozy relationship between assessors and their constituents, combined with unprofessional practices such as "sales chasing," has created great inequities. (Sales chasing is the practice of adjusting an individual property's appraised value when it sells, without adjusting other properties in the relevant market.) Because properties are not appraised consistently, some business and home owners are picking up the tab for others. The

current system of sales chasing is not only unfair, it hurts the real estate market by discouraging new purchases. It also exerts upward pressure on millage rates.

4. *The fiefdom approach to assessment leads to unfair results on a citywide basis.* In the post-Katrina round of assessments, the assessor for the Sixth District, which covers much of Uptown, gave across-the-board cuts as high as 50% on improvements in unflooded areas. The assessor for the Seventh District gave cuts of 25%. Assessors in four districts gave no reductions in unflooded areas. As a result, similarly situated taxpayers in different parts of the City are paying taxes at wildly different effective rates.

5. *The seven assessors' poor work product has shortchanged governments and citizens.* Prior to Katrina, both *The Times-Picayune* and the Louisiana Tax Commission found significant under-assessments of residential property (41% in the case of the *The Times-Picayune* and 25% in the case of the Tax Commission). Underassessment shortchanges city coffers and, by extension, city services. It also weakens the financial base for schools and other taxing bodies. With New Orleans on the brink of financial ruin, this problem has never been more acute.

6. *There is no rhyme or reason to the district structure.* The system of seven assessors appears to be nothing more than an historical accident. It certainly can't be explained by workload. The districts vary wildly in size, ranging from 6,710 taxpayers in the Fourth District to 71,812 in the Third District.

7. *There is no reason to treat New Orleans differently from other parishes.* Orleans is the only parish in Louisiana with seven assessors. Every other parish manages to get by with one. The difference in treatment can't be explained by workload. The total number of parcels handled by Orleans' seven assessors is less than the number handled by one assessor in Jefferson Parish and one in East Baton Rouge Parish.

Contact: Janet R. Howard, President and CEO
504-588-2053
janetthoward@hotmail.com

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