

# the Henry George News

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## Homeowners Rooked

CALIFORNIA continues to take the lead in exposing irregularities in assessment. Largely this is the fruit of an investment of money and effort begun with very little early promise, by the late Sidney Evans of San Diego. When he set in motion the Statewide Homeowners Association he left his imprint on history.

Thus in the March California Homeowner we read of Daniel McCorquodale, former mayor of Chula Vista, now a councilman, who charged, on the basis of a survey, that homeowners were paying 25 times more in taxes than others on equal values, and that the city assessor was not assessing all property according to the law. Some vacant land was actually being assessed below 1 percent. The average assessment was 10.9 percent, and improved parcels were assessed fairly uniformly at an average of 21.6 percent.

After the story broke under big headlines in the Chula Vista Star-News on February 29th, it was revealed that Mr. McCorquodale, while still mayor in 1967, had initiated an assessment study in San Diego County to find out if assessments in Chula Vista, the second largest city, compared equitably with those in other areas of the county. Seeing the need for a wider survey he asked Statewide Homeowners to assist, whereupon Lloyd Maxwell and several others gathered source material

and compiled a most comprehensive report. Only near the end was it revealed to the irate county assessor that the Homeowners were collecting the data.



Daniel McCorquodale

The foreword was by John Nagy, real estate appraiser and president of the association which financed the study through its educational and research fund.

Immediately upon its release so much interest was aroused that a management systems company proposed computerizing the survey. The result was a program which made it possible to calculate, sort and list the 13,500 parcels speedily. With this as a model it would be feasible to do the same for every county in the state every year. Each assessor could have computerized up-to-the minute reports which would be condensed enough to hold in one's hand, and would show clearly the areas needing attention.

Mr. McCorquodale circulated a ten-page summary of the 1692 page report which made the inequities easily discernible. One table of assessed percentages shows them ranging from 2.2 to 83.3 percent of market value. Small

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and medium sized properties pay a median assessment of 79 percent while large properties (over \$200,000 market value) drop to a median of 71 percent. Tax administrators call this a regressive pattern because owners of low value properties pay more than their proper share.

The councilman used the four-month study to prove that more than \$45 million in revenue is lost each year in San Diego County due to under-assessments, and an unjust burden is laid on homeowners, businessmen and farmers who make up the difference. This is bad for the economy, he said—it makes slums and vacant property more profitable than good housing. A breakdown of assessments revealed that of 502 parcels assessed below 11

percent of market value, 94.4 percent were acreage or vacant parcels. Of parcels assessed 21 percent or higher, only 6.5 percent were vacant.

If assessments on all property in the county were equalized the total tax rate, including city, county, schools and special districts could be dropped 22 percent, it was claimed. The same saving would be extended to all homeowners and the only ones who would be paying more taxes would be the owners of the 8.7 percent of underassessed vacant land. Owners of vacant land in Chula Vista wouldn't even have an increase in total tax payments. If assessments on land were raised and taxes lowered the tax payments would remain virtually the same, said Dan McCorquodale, latest public official to discover the facts behind land value taxation.

Newsweek magazine, on March 25th, predicted a report due by the end of the year by the National Committee on Urban Problems. Senator Paul Douglas was appointed to head the commission. It is expected to oppose existing housing codes and tax methods and to suggest that the administration revise the tax system to pay for returns. It may recommend raising taxes on unimproved property and lowering them on improved property as a means of reclaiming slum areas. Freeways and urban renewal projects that destroy settled neighborhoods are also expected to come under criticism. Walt Rybeck of Washington, D.C., columnist for The Dayton Daily News, a Georgist Ohio is proud of, is a member of this commission.

In the Royal Oak (Mich.) Daily Tribune there is another stirring of discontent over assessments, this time from the Mayor of Madison Heights who charges that property taxes are disproportionate. He says city land is not being assessed at 50 percent, as required by the state, but even so, homeowners are paying more than others. While residences are assessed at 40.97 percent of actual value, owners of vacant industrial land are assessed at only 25 percent of value, and owners of vacant land for business and residential areas are paying 38 percent. He is urging that homeowners' assessments be reduced to the same proportion as vacant properties.

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