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## Property assessment practices studied in court case

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Should taxpayers expect properties in neighboring counties to be assessed in the same way?

That's one question being argued during the school funding trial that began Wednesday before Cole County Circuit Judge Richard G. Callahan.

The question was raised by the Coalition to Fund Excellent Schools, which includes the South Callaway R-2 schools in Mokane, School of the Osage R-2 at Lake Ozark and the Climax Springs district and 23 other, mostly suburban, school districts.

It argues that Callahan should overturn Missouri's new public schools funding formula because unequal property assessments are included in the formula's basic calculation.

"The whole foundation formula is built around a concept that says we've got to determine which districts are relatively poor," said Steven M. Gardner, a University of Missouri-St. Louis researcher and former state representative, in the 1970s.

Much of Wednesday's and Thursday's testimony focused on the details of a 469-page, 2006 study done by UMSL's Public Policy Research Center for the CFES districts, which shows a wide disparity in assessments among taxing jurisdictions.

"They showed a great deal of inconsistency," said Gardner, who supervised last year's study and spent nearly six hours in the witness stand Thursday.

Because of the unequal assessments, he said, "Some (school) districts are portrayed as being poorer than they are, while others are portrayed as more wealthy."

The schools also argue that unequal assessments can affect taxpayers in the same school district, or in special districts like fire or ambulance services.

For example, the argument says, if assessments are unequal in Cole and Callaway counties, taxpayers in the Jefferson City School District might not be sharing the tax load equally.

"Money is being distributed differently than it would have been based on (true) equalization," Gardner testified.

He said the issue is important to schools because it involves a fundamental calculation in the new formula, based on the property assessments from 2003-04.

Callahan was told Wednesday that that part of the formula is "frozen" and won't change even as assessed values change over time.

The PPRC study covered assessments in 27 Missouri counties, including Cole and Gasconade in Mid-Missouri. Gardner testified the counties in the study have nearly three-fourths of the state's property values.

"Only four of the 27 counties met the state required assessment level (95 percent) and only one more met the (International Association of Assessment Officials') minimum standard," the study reported.

"The only consistent pattern of results is that most counties' capture of market value is substantially below anyone's standards. ... Assessment levels of 75 percent or lower were common (13 of 27 counties)."

Gardner questioned state Tax Commission reports showing that 23 of the same 27 counties meet the state's standard, with an average assessment level of nearly 99 percent.

Among the differences, he said, was the Tax Commission's report was based on a random check of about 35 properties in each county, while the PPRC study was more exhaustive, looking at about 70 properties in one county and at about 18,000 properties in St. Louis County.

Assistant Attorney General Karen Winn argued Gardner's tax research work was motivated by an interest in raising money for the PPRC, rather than providing objective, independent information.