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Assessors can vary widely in policies

Merger advocates say it would foster equity

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By Gordon Russell, Staff writer

The most prominent defenders of New Orleans' unique seven-assessor system -- which is to say, the assessors themselves -- point out that consolidating the offices into a single citywide assessorship won't necessarily make the city's helter-skelter property valuations any more equitable.

They have a point: Whether the power to set property values rests with one politician or seven, New Orleanians will still be at the mercy of someone who can have a major effect on their tax obligations with the stroke of a pen.

But the most often-noted flaw of the current system, its capricious inequity, could start to melt away if Amendment No. 7 to the state Constitution is approved by voters Nov. 7, proponents of the amendment contend. It would be hard, for instance, to conceive of a single assessor devising the crazy-quilt solution the group of seven arrived at in reassessing home values after Hurricane Katrina.

When he was the 6th District assessor, Al Coman gave a 15 percent break after the storm to nearly every homeowner in his Uptown district who lived between the river and St. Charles Avenue. On the other side of the avenue, the break was 50 percent.

Downriver, 4th District Assessor Betty Jefferson saw things differently. The unflooded homeowners in her district got no relief; in some cases, their valuations went up.

Further uptown, 7th District Assessor Henry Heaton was more generous than Coman in some cases, less so in others. Along Lowerline Street, which separates the 6th and 7th districts, homeowners on the uptown side got a 25 percent break, while their neighbors on the downtown side got 15 percent -- or 50 percent if they lived on the lake side of St. Charles.

The episode hinted at the bigger problem in the world of New Orleans property assessments: the overall lack of uniformity, and in particular, the way valuations of homes that haven't sold in years lag those that have sold recently. Undervaluing so many properties has the effect of driving up the tax rate, creating a major disincentive for people to move to New Orleans. That's a serious problem for a city that has been hemorrhaging population for four decades, amendment advocates say.

Seven salaries

Advocates also say merging the assessorships would save much of the money now paid to seven chief executives, who collectively do a job that is handled by one in virtually every other city in the nation. Eliminating six assessors would free hundreds of thousands of dollars that now go toward the salaries and benefits of the group, as well as related items such as hiring seven accounting firms to monitor seven sets of books.

The savings could help finance the new data-collection effort the seven assessors say they want. And over the long term, it could pay for a larger and more capable office staff, proponents of the amendment say.

In New Orleans, more than a quarter of the roughly \$3.8 million the assessors' offices have received annually in recent years is spent on the assessors themselves. In other words, it's a top-heavy system, critics contend. This year, a change in state law gave the assessors 2 percent of all taxes levied, or \$6.3 million; next year, according to the updated tax rolls, that amount will grow to \$6.9 million.

By way of comparison, the East Baton Rouge assessor's office receives just \$3.4 million. That office has 62 full-time employees, 21 more than New Orleans, according to a recent analysis by the independent watchdog group, the Bureau of Governmental Research. Jefferson Parish has about the same number of assessor employees as New Orleans, but gets by with a budget of \$2.8 million.

The high cost doesn't translate into more accurate assessments, according to the BGR, which has strongly endorsed the consolidation amendment.

"The irony is that, although Orleans taxpayers put more money into their assessment system than do taxpayers in other major parishes, the return on their investment is a shoddy system," the BGR wrote in a recent report on the subject.

Defenders of the status quo acknowledge assessment practices need to be modernized, but they say the assessors are trying, citing the purchase of a computerized mass-appraisal system and plans to gather new data.

Division of property

Nowhere is the irrationality of the seven-assessor system more evident than in the layout of the districts themselves, the system's critics say.

Before Katrina, for instance, the vast 3rd District -- which includes all of the city to the east of Esplanade Avenue and City Park -- contained about half of the city's population. It had eight times as many residents, and more than 10 times as many taxpayers, as the tiny 4th District.

The reason? The system dates to the 1800s and was never updated to reflect growth brought by the draining of the lakeside swamps and the vast reaches of eastern New Orleans developed in the late 20th century.

As a result of the vast differences in the scope of their jobs, 3rd District Assessor Erroll Williams runs quite a large operation, with a staff of 14 full-time employees. Jefferson, the 4th District assessor, has just two full-time employees.

Despite his greater responsibilities, Williams earns only about \$6,000 more than Jefferson.

Another way to look at it: Jefferson's salary is equal to about half the entire budget for her district, while Williams' salary accounts for about one-fifth of his office's budget.

Proponents of the current system note that the assessor-to-citizen ratio is even more out of whack in some small Louisiana parishes.

If Tensas Parish, population 6,618, can have its own highly paid assessor, they ask, why can't the 4th District, with four times as many people, have one too?

Executive perks

The biggest reason the assessors themselves soak up so much of the city's assessment budget is that there are seven of them. But there's a second big reason, too: the generous benefits granted all assessors in Louisiana by state law.

Each assessor in New Orleans receives a base salary of at least \$82,000, plus an extra 7 percent if they receive "professional certification." All except 6th District Assessor Nancy Marshall have it. On top of that, under state law, each gets another 10 percent as a "personal expense allowance."

The upshot is that most of them are paid at least \$96,000. The exceptions are the recently elected Marshall, who pledged not to take a salary, and Jefferson, who refuses the expense allowance, although records show she writes numerous checks to herself to pay for what she describes as incidental costs and office expenses.

But getting a firm grip on personal spending by the assessors can be tricky: Each has an office budget, and their books vary in the level of detail provided. They operate on different fiscal years. There's also a separate budget for the Board of Assessors, which pays the assessors' salaries and certain of their benefits.

The Times-Picayune reviewed about one year's worth of ledgers for each of the seven assessors. Some details were difficult to get a fix on: For instance, the credit card receipts for former 6th District Assessor Al Coman's American Express account were not available.

In addition, the records requested were not always available for review. As an example, the newspaper asked to review 5th District Assessor Tom Arnold's expense reports for 2003-04, a fiscal year in which he reported \$29,365 in "travel and other costs," but the records were in storage, Arnold's accountant said.

The business purpose of some other checks and expenses are not well-documented. For instance, Jefferson's ledger shows numerous checks written with little explanation to her son-in-law, her granddaughter and a business owned by her daughter. Jefferson said her granddaughter and son-in-law have worked part time in the office.

Along with the salary and expense fund, each assessor also receives health insurance, life insurance and a generous pension plan. Taxpayers provide a car for each assessor who wants one; gas and insurance are generally covered as well, although Jefferson and Marshall also refuse these perks.

Arnold bills taxpayers for the car insurance for two of his family's three vehicles; he is the only one to insure more than one car through his office account, records indicate.

Taxpayers also provide cell phones for most of the assessors, though not all take advantage of the perk. Darren Mire in the 1st District, for instance, said he figured he should pay for his cell phone with the 10 percent expense account he's granted.

Not surprisingly, there is the occasional publicly funded meal at Commander's Palace or Ruth's Chris Steak House, along with lunches at humbler kitchens.

If an assessor finds the fourth floor of City Hall too confining, he or she may also rent space for a satellite office. Only two assessors take advantage of that perk -- Arnold, who gets space free in the Algiers courthouse, and Heaton, whose satellite space on South Carrollton Avenue has cost taxpayers around \$5,000 annually in recent years.

How much savings?

All told, the seven assessors account for slightly more than \$1 million in spending, meaning that going from seven to one assessor would free about \$860,000 per year.

How many new staffers could be hired is open to question. Most workers in the seven assessors' offices earn annual salaries of \$30,000 or less. But the savings could also be used to hire more qualified professional appraisers, who would likely demand higher salaries than the clerical workers who dominate the staff now.

The savings could be greater still. The nonpartisan Public Affairs Research Council, which like BGR has endorsed the change, notes that "additional savings likely would occur from cutting expenses related to duplicate staff positions, health care and retirement benefits."

The assessors have cast doubt on whether the money saved with salaries will actually augment staff.

Arnold told the Alliance for Good Government at a forum in early October that any appraisers hired by a single assessor would "demand more than an assessor's salary."

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Gordon Russell can be reached at grussell@timespicayune.com or (504) 826-3347.