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How One County Fixed Its Broken Property Tax System.

Property taxes are considered the ultimate “fair” tax. But that fairness hinges on the assumption that homes are being assessed accurately, regularly and thoroughly.

Welcome back to Route Fifty’s Public Finance Update! I’m Liz Farmer and this week, I’m writing about why property taxes can be inequitable and what one county is doing about it.

Local governments collect roughly \$500 billion per year in property taxes, which accounts for 47% of locally generated revenue and is the single-largest revenue source for cities, counties, towns and special districts.

To purists, property taxes are the ultimate “fair” tax. That’s largely because jurisdictions offer homeowners’ tax exemptions that give lower-value homes a bigger discount on their property taxes. For example, let’s say the homeowner’s tax exemption in a city is \$50,000. That means that homes valued at \$150,000 pay taxes on \$100,000—a 33% discount off the assessed value. Homes valued at \$500,000 pay taxes on \$450,000 which works out to a 10% discount.

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ROUTE FIFTY

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