The Worst Tax in the Civilized World?

Property Tax Reform and the Kansas Tax Commission

by Glenn W. Fisher

A century ago a noted tax economist declared that the general property tax "as presently administered is beyond all doubt one of the worst taxes in the civilized world." Since then the general property tax has evolved into a rather different tax, but controversy over its administration continues. In fact, the recent controversy over the reappraisal of property in Kansas has much in common with controversies surrounding the Kansas Tax Commission in the early part of this century.

In Colonial America taxes were levied upon specific kinds of property at specific rates. For example, crop land would be taxed a fixed amount per acre and cattle at a fixed amount per head. In the nineteenth century these taxes evolved into a new form of taxation known as the general property tax. It was an ad valorem (according to value) tax levied on all forms of property. Many states adopted constitutional provisions requiring that the tax be uniform. These provisions served a dual purpose. They required the use of the form of taxation believed to be most equitable and limited the legislatures' abilities to finance expenditure by placing heavy taxes on politically weak groups.

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YESTERDAY EVENING'S BEACON CONTAINED PLEASANT NEWS.

Public interest in tax issues is expressed in this cartoon from the Wichita Daily Beacon, August 14, 1908.
The revenue article of the 1861 Kansas Constitution was typical of those adopted in the period. It required that all property be taxed uniformly. Property included real estate (land and attached improvements such as buildings), tangible personal property (moveables) such as household goods, livestock, machinery, and business inventories. Intangible personal property such as stocks, bonds, money, and the value of franchises also were taxable.

Administration of the tax was left to local government. In rural areas the elected township trustee also was the township assessor. In urban places a city or ward assessor was elected. The term of office was one year, assessors were unsupervised, and they were provided no guidance beyond a simple statutory definition of value.

The rate levied by a particular governmental unit (expressed in mills or thousandths of a dollar) was determined by dividing the amount of money a taxing jurisdiction needed by the total assessed value within the jurisdiction. The total rate to be applied to a particular parcel was computed by adding the rates of all the units taxing the property. The assessed value of the property then was multiplied by this total rate to determine the tax due.

Township officials knew that low assessments reduced the state and county taxes that voters paid in their township, but they could raise the township tax rate as needed to meet the township’s budget. To prevent this type of competitive undervaluation, county boards of equalization were given the power to make across-the-board increases in assessments within a township. This proved to be an inadequate remedy as did the attempts to prevent competitive undervaluation among counties by the state board of equalization. Rapid fluctuations in value, pressure from neighbors, and the inherent difficulty of determining the value of property added to the difficulties faced by local assessors. Each struggled with the problem as best he could, but in 1870 the state auditor reported that assessments were made according to as many different personal views as there were assessors.

Two years later Fry W. Giles, a prominent early resident of Topeka, wrote a forty-page booklet entitled A Review of the Tax System of Kansas. Giles evidenced sympathy for assessors, noting they had little data upon which to base decisions. He wrote that a newly elected assessor might begin by imagining what he could get for his farm but then reflect that it might not bring as much as he hoped. He then would hold counsel with his neighbors in which the genial subject and severity of taxes is discussed, the hard work and poor pay of farming lamented, and the disgusting announcement made that “that conscienceless scamp of an assessor, Jones, over in Hardscrabble township, is valuing property shamelessly low, to avoid taxation,” “so they say.” In the despairing frame of mind consequent upon his many doubts and perplexities, the assessor finally gets about his work; makes entry of his first piece of land by the standard of “true value in money,” which at that particular moment does not mark a high figure upon the scale, and which, under the surveillance of his tax-abhorring neighbors, drops lower and lower as piece after piece is added to the roll and the return made ready for exhibit. Thus, after a seven day study of the science of political economy as applied to the subject of taxation, the work of the several assessors is complete, and with feelings of


men who have thrown dice, they stand before the county board, each curious to conceal his own work, and to discover that of his associate assessors, when the box is raised.  

Giles’s description may, in fact, have been too kind to the assessors. Often rather than agonizing over the problem, assessors simply copied the previous years’ values. In other cases the assessor set a day on which property owners were to meet him at a particular crossroads to report the value of their property.

Demands for reform of the process were common but rarely resulted in significant change.

From statehood until the turn of the century, almost every governor’s report and state auditor’s report recommended reform of the property tax. For example, Governor George W. Glick proposed a system of county assessors in 1883, but no action was taken. Governor John A. Martin reported in 1889 that the Kansas laws for assessment and taxation had defects that were organic. He felt it was absurd to expect that township assessors holding their offices by election would not endeavor to secure all possible exemptions for their neighbors. He endorsed a county clerks’ resolution calling for county assessors.

Six years later a Populist governor, Lorenzo D. Lewelling, proposed that owners of property be given a strong, selfish motive for returning property at its actual value. He suggested that in any kind of controversy over valuation, such as in an insurance settlement, the valuation placed on the property for taxation should be conclusive as to its actual value. He also suggested that property owners be denied all access to the legal system unless they could prove that all of their property had been listed for taxation. Governor Edmund N. Morrill, speaking six days later as incoming governor, seemed unable to decide whether problems could be cured by good administration or whether the system had organic problems, but he recommended that county assessors be appointed by the judge of the district court for four-year terms.  

The Kansas Supreme Court criticized the administration of the property tax in several cases. In Chicago, Burlington & Quincy Railroad Company v Board of Commissioners of Atchison County et al. it said:

The habitual disregard of the statutes relating to the valuation of property for taxation by local assessors has been continually condemned by decisions of the court. . . . The injustice of the system of taxation growing out of this constant and continued disregard of the proper valuation of property becomes more and more apparent.

Most criticism of inequitable assessment was based upon antediluvian evidence, but efforts were made to gather more complete data. In 1888 the Queen City Herald of Ottawa published a table based upon questionnaires sent to county clerks. The clerks were asked the rate of assessment as a percent of real value. They also were asked about the assessed value of national banks in their county. The answers were compared with data about paid-up stock and surplus of national banks as shown in the biennial agricultural report. Answers were received from seventy-one counties, but the paper reported that “some were not clear.” Forty-one were compiled into a table. In the opinion of this writer the table is not entirely clear either, but it is obvious that local officials did not hesitate to admit that assessments were not at true value. The clerks reported levels of assessment ranging from 25 to 66% percent of value, and many indicated that different classes of property were assessed at different levels. The assessed values of national banks ranged from 7% percent to 60 percent of paid in stock and surplus.
There were reasons for the interest in the taxation of national banks. Federal bank policy had been a major political issue for many years. Kansas farmers and merchants were both dependent upon and distrustful of eastern capital, and they knew that bank assets represented the kind of intangible personal property that was likely to escape taxation. Further complications resulted from restrictions placed on the taxation of national banks under the "instrumentalities doctrine" laid down in *McCulloch v Maryland.* In that case the U.S. Supreme Court held that a federally chartered bank was an instrumentality of the federal government that could not be taxed by the states.

Other evidence existed of inequitable assessment. Data collected by the Kansas Bureau of Labor revealed that Kansas, constitutional provisions notwithstanding, had a *de facto* local classification system. The assessors of each county met and agreed upon the values that would be assigned to different kinds of personal property and to different classes of real estate. The values varied from 20 to 100 percent of the true value of real estate and from 30 to 100 percent of the true value of personal property. In some counties personal property was assessed higher than real estate; in other counties real estate was assessed higher.

The Kansas Bureau of Labor also compared the total assessed values of real estate with real estate values reported in the U.S. censuses for 1860–1890. The results (Table 1) indicate that the real estate values placed on the tax rolls by assessors in Kansas Territory in 1860 were equal to 71.9 percent of the value reported in the 1860 census. By 1890 assessed values had declined to less than 20 percent of the values reported to the census.

The greatest advance in the effort to measure the quality of assessment occurred when the Kansas Bureau of Labor began comparing assessed values of parcels of real estate with actual sales prices. An 1897 report included several detailed charts showing that property was assessed at different levels in different counties and that different kinds of property in the same county were assessed at various percentages of sales price. From this report James Ernest Boyle compiled the information in Table 2. This table shows that low valued farms were assessed at a higher percentage of their value than were more valuable farms. It also indicates that tangible personal property was assessed at much lower values than real estate and that intangible property was scarcely assessed. Boyle explained the discrimination against small farms by saying that once an assessor broke away from the 100 percent basis of valuation he no longer had any guiding principles except the considerations that came up in individual cases.

The early system of property taxation in Kansas was consistent with the ideas of Jacksonian democracy that were widely embraced in frontier areas. The Jacksonians had reacted to the elitist concepts of the early Federalists by supporting a democracy in which all male citizens could vote for a large number of elected officials. They argued that anyone was capable of holding public office and that frequent elections would ensure that the people's will would be carried out. They were suspicious of large institutions and experts.

These ideas continued to be influential, especially in frontier areas, long after Jackson's Democratic Party had lost its dominance at the national level. Among the consequences were the spoils system, the increased importance of political parties and, especially in urban areas, the growth of political machines.
TABLE 1
Relation of Assessed Valuation to True Valuation, 1860–1890

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent</th>
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<tbody>
<tr>
<td>1860</td>
<td>71.9</td>
</tr>
<tr>
<td>1870</td>
<td>48.8</td>
</tr>
<tr>
<td>1880</td>
<td>28.0</td>
</tr>
<tr>
<td>1890</td>
<td>19.8</td>
</tr>
</tbody>
</table>


TABLE 2
Average Assessment Rates on Small Properties, Large Properties, and Other Classes of Property

<table>
<thead>
<tr>
<th>Property</th>
<th>Percent</th>
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</thead>
<tbody>
<tr>
<td>Farms worth $500 and under</td>
<td>56.0</td>
</tr>
<tr>
<td>Farms worth $500 to $1,000</td>
<td>41.0</td>
</tr>
<tr>
<td>Farms worth $5,000</td>
<td>25.0</td>
</tr>
<tr>
<td>Farms worth $10,000</td>
<td>17.0</td>
</tr>
<tr>
<td>Goods and chattels</td>
<td>10.0</td>
</tr>
<tr>
<td>Packing houses</td>
<td>6.0</td>
</tr>
<tr>
<td>Money</td>
<td>2.0</td>
</tr>
<tr>
<td>Mortgages, notes and bonds</td>
<td>0.9</td>
</tr>
<tr>
<td>Debts and accounts</td>
<td>0.0</td>
</tr>
</tbody>
</table>


By the turn of the century the progressive reaction had set in. Theodore Roosevelt was a central figure, but the movement involved diverse groups of middle-class taxpayers, small businessmen, professional groups, and academic reformers.

They were in general agreement that favoritism to friends and political supporters should be replaced by a system based on adherence to the law and efficient delivery of services. Most accepted the argument put forth in Frank Goodnow’s influential book that politics and administration should be separated. Goodnow and his followers argued that administration was largely a technical matter that should be carried out by a hierarchically organized, professional, educated staff. This idea was popular among tax reformers. It reinforced earlier suggestions that hundreds of part-time Kansas assessors be replaced by a smaller number of professional appraisers.

In 1901 the Kansas legislature responded to criticism of the property tax by establishing a commission to study tax revision. The Board of Tax Commissioners consisted of two members of the senate, three members of the house, the state treasurer, the state auditor, and the attorney general. The commission was directed to study the tax laws, recommend bills, and distribute ten thousand copies of its report before the 1903 legislature convened.

The board organized itself on April 16, 1901. Representative John Francis of Colony was elected president and Senator Cyrus F. Hurrel of Holton secretary. The commission immediately asked Governor William E. Stanley to appoint the members of the commission as delegates to the national tax conference to be held in Buffalo, New York, under the sponsorship of the National Civic Federation. All five legislative members and the attorney general went to the conference at which eighteen states were represented by state officials, professors, and reformers.

Many of the suggestions made at the meeting violated the Kansas constitutional requirement for uniform taxation of all kinds of real and personal property. The Kansas delegation noted that most of the delegates condemned their own state tax laws, but the Indiana delegates declared the Indiana tax system to be the best in the United States.

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20. Ibid., 4.
Indiana had established the first state tax commission in 1891. It became the model for commissions in several other states. Ironically, a comprehensive study of state tax commissions several years later reported that, although state officials habitually bragged about their state laws, the spoil system had not been eliminated in Indiana. In reality, the commission had little success in equalizing local assessments.\(^{21}\)

The Kansas commission decided to use the Indiana plan as the basis for reforming Kansas taxation. The members discussed the matter on the train as they returned from Buffalo and afterward met for sixty-seven days before giving unanimous approval to a proposed bill.\(^{22}\)

The commission report began with criticism of the existing tax system. It stated that the laws relating to taxation constituted a “Joseph’s Coat of Many Colors,” each representing the temporary opinions of legislators or fluctuations in public sentiment. Assessments were made by a city or township assessor impelled by a desire to have his township or city escape, as far as possible, the burden of county and state taxation. In addition, assessors were frequently, although perhaps unconsciously, influenced by considerations of personal friendships or desires for re-election. The report repeated the oft-heard charge that the countywide meetings of township and city assessors had become “schools in which are taught the methods of releasing property from assessment, of lowering values, and generally evading the tax laws.”\(^{23}\)

The plan for tax reform would have made a radical change in assessment administration. The tax commission would have been composed of two elected commissioners, the state auditor, state treasurer, and secretary of state. County assessors, elected for four-year terms, would have replaced township assessors. Assessors were to be ineligible for reelection or to be candidates for any office during their terms.\(^{24}\) The appointed deputy assessors would do the actual assessing and be responsible to a superior rather than to the electorate. A provision that deputies could not assess in their own township or district was a complete reversal of the usual provision that the assessor had to live in the township or district. It was meant to eliminate the possibility of favoritism for the assessor’s property or that of friends and neighbors.

The proposed law contained several articles detailing the application of the property tax to specific businesses such as banks, merchants and manufacturers, pawnbrokers, grain brokers, telephone and telegraph companies, express companies, pipelines, and railroad and car companies. It required that corporations give complete statements of assets, stock, and earnings of the business and, particularly, the amount and value of public franchises owned or enjoyed by the corporation. These provisions were intended to ensure that both tangible and intangible property of corporations were taxed.

In spite of the unanimous approval by a commission composed of Kansas political leaders, the reforms did not find quick acceptance in the legislature. Conflict between the demand for local autonomy and frequent election of many officials, on the one hand, and demand for competent, impartial administration...
on the other, was inevitable. As usual in political affairs, this debate was not carried out in theoretical or abstract terms, but in terms of specific issues. In this case the issue was one that hit the pocketbook nerve. Should assessed values be determined by a neighbor elected at the township level or by a full-time assessor supervised by a commission in Topeka?

Related to this issue was the question of whether corporations and those whose wealth was highly mobile or intangible could be made to pay their fair share. This problem was especially sensitive in Kansas where the Populists, Grangers, and others had directed much anger at railroads and financiers. The political strength of the Populists had waned, but the issues still were very much alive.

Even the most important policy issues sometimes take a back seat to partisan maneuvering. In 1901 Kansas had passed through the Populist period, but politics in the years 1900–1906 were dominated by arguments over bossism and corruption within the Republican Party. Legislative proposals often fell victim to controversies among factions. This is well illustrated by the debate over the tax reform proposal. In 1903 tax reform bills passed both houses of the legislature. A conference committee appointed to work out differences between the two bills became embroiled in a controversy only tangentially related to the subject matter of the bill and did not reach agreement.

The 1904 Kansas Republican convention saw a bitter fight among the “machine” Republicans and factions of the reformist Kansas Republican League. Progressive Republican Edward W. Hoch was nominated for governor, and he and another progressive, Walter R. Stubbs, succeeded in incorporating some of their reform ideas into the party platform. These included economy and anticorruption planks and a call to equalize and minimize state taxes.

In his January 1905 message to the legislature, Governor Hoch proposed a comprehensive governmental reform program but suggested a less sweeping tax reform than that proposed by the tax commission. Many of his proposals were approved by the 1905 legislature, but only minor tax reforms were passed. These established new procedures for taxing telegraph, telephone, pipeline, and express companies and established a State Board of Assessors to assess all such companies doing business in more than one county.

In his 1907 message to the legislature, Governor Hoch devoted only a half page to taxation. He said that Kansas tax rates seemed high because assessments were low, but that Kansas actually was a low-tax state. He pointed out that the bank commissioner reported $140 million in bank deposits, but that fewer than $5 million were reported for taxation. He asked that severe penalties for violating the tax law be enacted.

In spite of Governor Hoch’s failure to push the tax commission in his message, the 1907 legislature passed a tax commission bill. An important factor in its passage may have been agitation for reassessment of railroads by the Square Deal clubs, organized by progressive Republicans who wanted railroads to be assessed on the same basis as other property.

The legislation did not contain the provisions setting up specific methods for assessing various kinds of business or corporate property that had been recommended by the 1901 commission, but changes in property tax administration were far reaching. A tax commission replaced the Board of Railroad Assessors, the State Board of Assessors, and the State Board of Equalization and was given broad power to supervise local assessment. The commission was composed of three persons appointed to four-year terms by the governor with the advice and consent of the senate. Commissioners were to be knowledgeable...

27. Boyle, Financial History of Kansas, 83.
28. LaForte, Leaders of Reform, 31–45.
31. LaForte, Leaders of Reform, 76–77, 85.
about taxation and were not to engage in political activity.  

The commission was to supervise county assessors. It was to provide a uniform method of keeping tax rolls and other tax records in each county and to provide tax forms. It was to visit each county to ensure that records were kept properly and to require county assessors to attend a meeting in Topeka at least once in two years. It had the power to require local officers, individuals, and corporations to provide information, to examine witnesses, and to require the submission of books relating to tax matters.

The commission had far-reaching powers of review and equalization. It could require any county board of equalization to reconvene and issue any order the commission deemed necessary. The commission could direct county boards or assessors to change valuations of entire cities or townships. It had the duty to prosecute county officials for violation of any rule, regulation, or statute dealing with taxation.

Each county’s board of county commissioners was to appoint a competent county resident as assessor. The appointment was for two years and the assessor was not to be eligible for any other office. The county assessor and the county commission were to determine the number of deputies needed. The county assessor, with the consent of the county commission, was to appoint deputies from different townships or city wards. The county assessor was to assign them to the territory to be assessed.

Governor Hoch moved quickly to appoint a high quality commission. The first name announced was that of a distinguished Democrat, Judge James Humphrey of Junction City, who had served in several offices including eight years on the controversial railroad commission.

The second person named to the commission was Samuel T. Howe. Howe was a longtime critic of property tax administration in Kansas. In 1886, as state treasurer, he had proposed a study of property taxation. His second report as state treasurer included an eight-page criticism of property tax administration. He described the lack of equalization among counties and problems with the taxation of banks, railroads, telephone, and express companies. For example, he pointed out that telegraph companies were taxed only on the cost of their wires, although the franchises of telegraph and express companies were very valuable.

In 1895 Howe presented a lengthy analysis of the property tax to the annual meeting of the State Board of Agriculture. He quoted David Wells, prominent economist and member of the New York tax study commission of 1870, to the effect that all civilized nations of the world except the United States had abandoned efforts to tax personal property. Experience proved, he said, that any attempt by a single county to assess property at its true value in money would result in serious injury to their taxpayers and would shift taxes from centrally assessed property (railroads) onto local taxpayers.

The final appointee was Schuyler C. Crummer, of Belleville, private secretary to Governor Hoch. Previously Crummer had served as Republican state chairman and in that capacity denounced the Square Deal clubs as a splinter group that would harm the Republican Party.

The commissioners' terms of office began on July 1, and they met and organized on that day. Judge Humphrey, the Democrat, was elected chairman by his two Republican colleagues but he died on September 18. Governor Hoch then offered the appointment to David W. Dale, his Democratic opponent in the 1904 election. Dale declined the appointment in a long, thoughtful letter. He agreed with the governor that this legislation was the most important in twenty years but did not believe the commission would be a success in the long run. He doubted that Governor Hoch's successor would be as broad gauged and nonpartisan:

the interests and politicians may demand a Board of Tax Commissioners subservient to their interests and demands. I know full well the law will be unpopular to the "tax dodgers" and certain corporate interests, and that before the law can be given a thorough trial, the "knockers" hammers for the scalps of the officials who are honestly and conscientiously endeavoring to properly and efficiently enforce the law will be heard throughout the State and some weak-kneed governor, as your successor, may deem it advisable to look upon this law in a different light than you do, and conclude in the interest of the "knockers" to change the policy adopted by you.36

The governor then appointed Judge William S. Glass to the commission, and it elected Samuel T. Howe as chairman.

After organizing on July 1, 1907, the commission began to prepare for the 1908 assessment. County assessors could not be appointed until the January 1908 meetings of the boards of county commissioners, but the commission prepared a series of about thirty forms and sent them to the county clerks. These included blanks for real estate assessment rolls, personal property tax statements for individuals and corporations, statements for the assessment of pipelines and telephone companies, forms for the appointment of county and deputy assessors, and forms providing statistical information to the tax commission. Circular letters and pamphlets explaining the changes were sent to county clerks, county commissioners, and township trustees.

Meanwhile members of the tax commission worried that large increases in assessed values would result in tax windfalls to local units of government that did not decrease tax rates proportionally to the increase in values. The commission considered the matter so important that some ten thousand copies of a circular letter were sent to the taxing officers of all counties, cities, townships, and school districts. The letter pointed out that the legislature had not required that the rates be decreased in proportion to the increase in assessed values, but it was clear that the legislature did not intend to authorize a tax increase:

The Commission holds it to be clearly the duty of every officer who has to do with levying taxes to see that the levy is reduced proportionately as the assessments are increased, and that only such a percentage in mills upon the dollar is levied as will raise a tax equal to, and not in excess of, the amount that could have been raised under the assessment last made before the taking effect of the new law.

Public sentiment will undoubtedly sustain all officers in such action and will most assuredly condemn any attempt to increase the tax burden.37

In January 1908 the Kansas legislature convened in a special session demanded by supporters of a primary election law and by groups agitating for a bank deposit guaranty law. Governor Hoch had been reluctant to call the session, but he took the opportunity to ask that a tax limit be enacted.38 The legislature responded by enacting a tax limit law preventing any taxing district from making a tax levy that would produce more than 102 percent of the amount that could have been levied in 1907.39

36. D.W. Dale to Governor Hoch, September 26, 1907, Correspondence, Edward W. Hoch Administration, Records of the Governor’s Office, Library and Archives Division, Kansas State Historical Society.
39. A very similar tax lid law enacted in 1970 at the request of Governor Robert Docking has been cited as an innovation in tax limitation.
The special session also passed an amendment requiring assessors to appoint the township trustee as a deputy assessor. In cities of the first class, deputies were to be appointed with the consent of the mayor and the city council. This change, made even before the new county assessors had begun their duties, greatly weakened their position and created the strange situation in which the appointed assessor had the responsibility for supervising elected officials.

The commission or individual members of the commission made visits to the counties in an effort to prepare county officials for the 1908 assessment. It also called the first county assessor meeting for January 28-29, 1908. All 105 county assessors were present. Governor Hoch congratulated the county assessors for having been chosen by their county commissioners and charged them to enforce the law without regard to criticism.

Chairman Howe pointed out that after twenty-five years of dissatisfaction with the property tax, the legislature had designed a law to distribute the burden of the tax equally. Howe stressed that no one could properly dispute the proposition that every person whose personal and property rights are protected by the government should contribute in suitable measure to its support. He clearly believed that tax policy should be made by the legislature and administered by impartial administrators:

How he shall contribute and in what measure must be for the legislative body to determine. The rules laid down by that body must be observed by all officers charged with their administration.

Upon each of you, within his own taxing district falls this duty. Yours is a grave responsibility. According to the degree of your performance under the law will be the degree of equal taxation in your district, which with each of you is coextensive with your county.

After local assessment was underway in March, the commission turned to its other duties. As railroad assessors, the commissioners toured the several railroad systems noting the condition of property, examining financial records for the proceeding five years, and carefully studying “everything which could be conceived of as bearing on value.” The result was a railroad assessment of $356,070,646. In a paper read at the National Tax Association conference the commissioners pointed out that the U.S. census in 1904 had estimated the value of railroads in Kansas at $356,356,000. This similarity was not the result of any use of census data but was a remarkable result arrived at by two different valuation methods.

The tax lid law was relatively successful in preventing an increase in the total amount of property taxes levied, but shifts among taxpayers were large and numerous. In part, this is evidence of success. Prior to the reappraisal the level of assessment showed large variation. A tabulation from one county (Table 3) shows the range of sales-ratios by township. Unfortunately these data do not show the percentage of property assessed at the extremes, but it is clear that some properties in every township were assessed at less than 10 percent of market value. The general tendency to underassess property is clearly evident. Not a single property in the ten townships was assessed at more than 76 percent of the price at which it sold.

42. Ibid., 8.
We do not have comparable data for the years immediately after the 1908 reassessment, but it is obvious that any success in improving the assessment would have resulted in large shifts in the tax burden. Unfortunately for tax policymakers and administrators the anger of those whose taxes are increased greatly exceeds the gratitude of those whose taxes are decreased.

Another perspective examines the change by classes of property. The following tabulation summarizes the changes for several major classes:

<table>
<thead>
<tr>
<th>Local Assessments:</th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Lands</td>
<td>Values increased 6.32 times</td>
<td></td>
</tr>
<tr>
<td>Town lots</td>
<td>Values increased 4.64 times</td>
<td></td>
</tr>
<tr>
<td>All real estate</td>
<td>Values increased 5.84 times</td>
<td></td>
</tr>
<tr>
<td>Personal property</td>
<td>Values increased 6.01 times</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State Assessments:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>All public service</td>
<td>Values increased 5.23 times</td>
<td></td>
</tr>
<tr>
<td>Railroad property alone</td>
<td>Values increased 5.13 times</td>
<td></td>
</tr>
</tbody>
</table>

These numbers clearly were a disappointment to those who believed that railroads and other utilities had been undertaxed. The fact that assessed values of these properties increased less than did the assessed values of most kinds of locally assessed property meant that the proportion of the taxes paid by railroads would decrease, not increase, as critics of railroads had hoped. However, the Wichita Daily Beacon, edited by leading progressive Henry Allen, applauded the reappraisal because adding large amounts of personal property to the tax rolls would decrease the tax on real estate. He promised that more personal property would be added the following year. At the same time, the paper warned that the public should be alert to prevent government officials from taking advantage of the low rate to increase expenditure.

The 1908 platforms of both major parties promised at least a partial return to the old system. Both the Democratic and Republican Parties favored election of the tax commissioners, and the Democratic platform pledged to correct the unjust provisions of the law through which the burdens of taxation have been increased on real estate and lessened upon the holdings of big corporations. The Wichita Daily Beacon opposed the election of the tax commissioners. It pointed out that the commission was starting out well and that it should not be dragged into partisan conflict. On November 26 the Daily Beacon carried an article by C.L. Davidson, identified as "author of the law," defending the appointment of assessors and tax commissioners. The same issue also carried an article supporting another progressive reform, the adoption of the commission form of government in Wichita.

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44. Ibid., 452.
45. Wichita Daily Beacon, August 14, 1908.
47. Topeka Daily Capital, August 26, 1908.
48. Wichita Daily Beacon, November 25, 26, 1908.

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In January 1909 the commission made its first report to the legislature. The commission stressed the enormity of the task of equalizing assessments in 1,577 districts, each assessed by a different assessor. It suggested that the implicit authority of the county assessor to revise the work of the township trustee be made explicit and that the tax commission be given authority to order reassessment in any district in which assessment appeared to be in noncompliance with the law.49

The report included a rather lengthy section describing special tax commissions in other states. Emphasis was upon the conclusion that it was impossible to administer the general property tax — particularly the tax on intangible property.

It is clear from the proceedings of the second assessors’ conference, held one year later, that the commission’s report to the 1909 legislature had not been well received. The legislature had changed the law to provide that in counties of less than twelve thousand population, county clerks were to be ex officio county assessors. Rather than the experienced core of county assessors that the commission had hoped for, only twenty-eight assessors had been appointed to succeed themselves, twenty-eight were newly appointed, and forty-nine were county clerks serving as part-time county assessors. The legislature also had weakened the assessment law by requiring the county assessor to appoint two taxpayers, not of the same political party, who with the deputy were to constitute a township board of review. Boards of review, unlike boards of equalization, have the power to change individual assessments. This law tripled the number of part-time elected officials who were involved in the assessment of properties in each township.

In spite of the legislative setbacks, Chairman Howe’s opening statement was upbeat. He remarked that the county assessors’ meeting two years earlier had been called the most momentous gathering of county assessors in the history of the state and that remarkable results had been achieved. The last assessment under the old system had resulted in an assessed valuation of $425,281,214. In 1908 the new plan produced a total valuation of $2,451,560,398. The average rate of taxation in the state had been reduced from 4.67 percent (46.7 mills) in 1907 to .865 percent (8.65 mills) in 1908 and .9447 percent (9.447 mills) in 1909. Howe did admit that the decrease in the average rate was not quite proportional to the increase in valuation.50 That meant an increase in taxes levied.

During the next several years the commission continued to hold the biennial assessors’ conferences and to carry out its duties as railroad assessors and as the state board of equalization. The commission published long reports reviewing developments in other states and recommending such reforms as classification of property and enactment of an income tax.

In 1925 the commission was replaced by the Public Service Commission. This action, allegedly taken for partisan political reasons, was reversed in 1929. The commission again was abolished in 1939 when the Commission on Revenue and Taxation was created. During the years of its existence, it gradually evolved from an agency whose main responsibility was to supervise local assessments into an agency with major administrative assignments. For example, it administered newly imposed state taxes, such as the income tax, and in 1931 it was made responsible


for administering a new law regulating the budget-
ing and tax levy procedures of local governments.51

During its years of existence, the biennial assess-
ers' conferences were used to educate the county
clerks/assessors about property tax law and assess-
ment methods. At each conference commissioners
read papers on some aspect of property taxation, and
the meeting was thrown open for questions and dis-
cussion. Complete transcripts of the proceedings
were published and made available as assessment
manuals. These proceedings provide interesting in-
sights into the state of property tax law and admin-
istration at the time.

In some cases the law was clear and easily applied
but contrary to local opinion. This is illustrated by a
discussion of tax exemption for Masonic homes at the
first conference. A tax commissioner explained that
such properties were not exempt as charitable prop-
erty. He cited many cases supporting that opinion, but
assessors clearly found the idea of taxing such prop-
erty distasteful. Repeated questions and expressions
of disbelief and disagreement fill several pages of the
proceedings, but the commissioners reiterated their
position and urged that the law be followed.52

In other cases the commissioners' statements
were too abstract or theoretical to be of use to assess-
ors. For example, the commissioners provided a de-
inition of value to be used for assessment purposes:
such a value as a subject of sale would bring in
money under ordinary circumstances when a person
fully informed as to values wished to buy the
subject of sale without any particular need for it,
and on the other hand, where the owner, also fully
informed as to values, wanted to sell, but was not
obligated to do so.53

The commission pointed out that a sale of neigh-
boring property could not be taken as an absolute
guide until analyzed and divested of all conditions
not involved in the property sold. Neither an auction
sale, nor any sort of forced sale, nor a time sale would
be a normal indicator of value. The commissioners
pointed out that one person might for a particular
reason be willing to pay more for a property than oth-
ers would pay. In the absence of an absolute guide to
value, all facts and circumstances had to be consid-
ered. Among these were the considerations given in
deeds, earnings, local rental values, asking prices, prices
offered, and facilities for marketing afforded by new or improved lines of communication.

The definition and the commissioners' discuss-
ion of its applications were consistent with the best
appraisal practice of the day. They provided a frame-
work for analyzing a particular case and thought-
fully applied by an experienced appraiser would have
resulted in quality appraisal of most kinds of real
property, but the assessors made little effort to un-
derstand the concepts involved. Instead they asked
the commissioners highly specific questions about
the value of particular properties. On at least one oc-
casion a commissioner expressed irritation at an as-
sessor's failure to understand and apply appraisal
principles and brusquely advised an assessor to read
the proceedings of the last conference.54

The tendency of the assessor to demand answers
to fiscally trivial but politically troubling problems is
illustrated by the discussion of the dog tax law. Dogs
are personal property and should have been taxed as
such, but apparently few were returned for taxation.
The 1913 legislature imposed an additional tax of one
dollar on male or spayed female dogs and two dol-
ars on unspayed females. The new law provided that
assessors should make diligent inquiry as to the
number and sexes of dogs harbored. Any person har-
boring a dog and disclaiming ownership was re-
quired to kill the dog in the presence of the assessor.
The assessors at the fourth conference asked many
questions about how the tax was to be collected and
many complained about the difficulties the law
would present. Some said that most of the dogs were
worthless and many ran wild. It was discussed

51. John L. Krebsbied, "The Kansas State Tax Commission" (master's
52. Kansas Tax Commission, Proceedings of the Conference Convention
53. Ibid.
54. Kansas Tax Commission, Proceedings of the Third Biennial Confer-
ence Convention of the County Assessors of the State of Kansas, December 19
and 20, 1911 (Topeka: State Printing Office, 1911), 19.
whether the deputy should kill the dog if the harbore refused to do so. Some asked who was going to provide the ammunition and who would be liable if a dog were killed wrongfully.  

In some instances the commissioners had no answers to difficult questions. When the legislature required that township trustees be appointed as deputy assessors for their own townships but provided no authority for hiring additional deputies in large townships, the commissioners could provide no useful advise. They counseled that the law be obeyed, urged the deputies to work harder, and avoided expressing approval of some of the extralegal actions that assessors reported. A paper defining “capital stock” prompted a thorough discussion of the term’s various meanings, but in spite of repeated questions, the commissioners were not able to give a good answer as to how to value it.

The difficulty with the assessment of intangible property undoubtedly reinforced the commission’s support for an amendment to the Kansas Constitution removing the uniformity clause. This would have freed the legislature to classify real and personal property for tax purposes and to levy nonproperty taxes such as income taxes. The commission proposed such an amendment in its first report to the legislature and repeated the recommendation in subsequent reports, but an amendment was not submitted to a popular vote until 1914. The amendment was in line with national reform trends and the commission drew heavily upon out-of-state experts in an effort to sell the amendment to the people. It published a pamphlet containing several pages of letters from such nationally known tax authorities as Professor Charles Bullock of Harvard, who also came to Topeka to speak in favor of the amendment. In an interview with the Topeka Daily Capital he stressed the heavy burden that the existing tax system placed on farmers and the tendency of the tax to drive intangibles into hiding.

The voters defeated the amendment in 1914 and another in 1920. A more restrictive amendment permitting the classification of mineral products, money, mortgages, notes, and other evidences of debt was passed in 1924. An income tax amendment was not passed until 1932.

The Kansas Tax Commission served as Kansas’s window on the world of tax policy. Members were active in the National Tax Association, and Samuel Howe was elected its president in 1915 and reelected in 1916. He became a nationally known expert on property taxation and authored several articles on the subject. In a 1915 article in Annals of the American Academy of Political and Social Science he defended Alexander Hamilton’s concept of centralized, professionalized tax administration. He stated that tax administration was a business that should have the benefit of expert, scientific knowledge. He admitted that the public is generally unresponsive or hostile to the idea and that loose or haphazard ways of laying taxes has grown up in many jurisdictions.

In part because of the commissioners’ involvement in national organizations, the Kansas Tax Commission was nationally known. An authority on property taxation reported in 1918 that the commission’s powers over local assessment resulted in the


most effective administrative system in the United States and added that the 1916 assessors' manual, which was presented in a new topical format, was among the best in the United States. Kansas was a leader in applying quantitative methods to measure the quality of assessment.

The commission continued and expanded the practice of collecting real estate sales data as a way of improving and measuring the quality of assessment. In 1924 a professor at Kansas State Agricultural College utilized these data to calculate assessed value as a percentage of sales price for each parcel that had been sold. These sales ratios then were analyzed statistically to determine the level of assessment for particular kinds of properties in the counties and also to develop statistical measures of assessment variation within classes of property and within counties.

Today such sales ratio studies are widely used to measure the quality of assessment and to improve the assessment process.

The efforts of the Kansas Tax Commission to supervise and control the local assessment process in Kansas is an important chapter in the history of the progressive movement. Strong ties united the ideas of progressive reformers on the national scene and the Kansas Tax Commission. Chairman Howe and members of the commission participated in national organizations and wrote for both Kansas and national audiences. Their message was that tax policy should be determined by the legislature and administered by nonpartisan, technically competent administrators. They also argued that the unenforceable tax on intangible property should be replaced by taxes, such as the income tax, better suited to tapping the resources of corporations and of those individuals who received income not related to ownership of tangible property.

Their suggestions were not fully accepted. Kansans did not find it easy to see their elected township assessors replaced by full-time county officials supervised by appointed experts in Topeka. Consequently, the pendulum began to swing back even before the 1907 legislation had been fully implemented. The results of first reappraisal eroded support from those whose taxes were increased. The slight decreases in tax burden on railroads and other public utility property displeased those who expected the opposite result.

Some remarkable parallels exist between the history of the tax commission and the history of the property tax reform that began with the passage of the Kansas reappraisal law of 1985. In both instances evidence indicates that the quality of assessment before the reform was appalling. In both instances reformers argued that assessment is a technical task that should be divorced from policy formation. The tax commission pointed to the assessment improvement that would result from trained assessors using standardized methods. Today the Division of Property Valuation points to the improvement that results when trained assessors use computer-assisted methods.

Now, as then, the change is opposed by those who see it as detrimental to their own interests and by those who are uncomfortable with the loss of local control and political responsibility. Today, however, a Kansas court is insisting that the state has the responsibility for uniform assessments and has mandated strict statistical tests of assessment uniformity. If successful, this would be a major change in the politics and administration of state and local taxation.

60. Eric Englund, Assessment and Equalization of Farm and City Real Estate in Kansas, Agricultural Experiment Station Bulletin 232, July 1924 (Topeka: State Printing Plant, 1924).
61. Kansas continues to be a leader in this area. The Division of Property Valuation of the Kansas Department of Revenue currently is developing new statistical techniques for dealing with small sample sizes in sales ratio studies.