



Tax Reform Plan for St. Louis County  
Proposed by Bill Corrigan

November 23, 2009

# **Bill Corrigan's Tax Reform Plan for St. Louis County**

## **November 23, 2009**

### **Introduction**

St. Louis County is the economic engine of Missouri. It holds almost 25% of all jobs in Missouri; almost 20% of the state's population resides in St. Louis County, and it is home to six Fortune 500 companies and countless small businesses.

Yet, unfair taxes are crippling the St. Louis County economy, halting growth, limiting prosperity and punishing taxpayers. Tens of thousands have lost their jobs, businesses are leaving the County and families are struggling.

Charlie Dooley has offered no leadership on tax reform to help St. Louis County families thrive. Instead, during his two terms in office, Dooley has called for tax increases and overseen a broken and unfair tax system.

In 2008, when County families and businesses were fighting to survive the "Great Recession," and real estate values plummeted 19-25%, Dooley supported a 4% increase in property taxes.

St. Louis County taxpayers deserve real solutions, strong leadership and an inspiring vision from their County Executive concerning tax reform. Since he announced his candidacy for County Executive, Bill Corrigan has advocated the need for tax reform for St. Louis County families and businesses.

That is why Bill Corrigan has proposed a six-point plan to reform the St. Louis County tax system. While Charlie Dooley has failed to offer viable solutions for tax reform, Corrigan's plan will lower taxes, create jobs, attract businesses and protect taxpayers. Corrigan's plan will get St. Louis County's tax system under control and off the backs of local taxpayers.

In summary, Corrigan's tax reform plan imposes a moratorium on property tax rate increases; proposes a cap on increases in property values; calls for the election of a County Assessor and demands comparable home sale comparisons that are fair.

### **The Plan**

#### **I.**

***Under Charlie Dooley, St. Louis County residents are suffering with high taxes.***

**CORRIGAN'S SOLUTION: IMPOSE A MORATORIUM ON RAISING PROPERTY TAX RATES ON ST. LOUIS COUNTY RESIDENTS**

Charlie Dooley has a record of supporting multiple tax increases. In 2008, when County families and businesses were fighting to survive the “Great Recession,” and real estate values plummeted 19-25%, Dooley supported a 4% increase in property taxes. Dooley has raised taxes before, and he will raise them again.

Remarkably, during the Great Recession of 2008 and 2009, the County’s spending did not decrease. Instead, it increased. Unlike countless County families and businesses who tightened their belts and reduced spending during these extraordinary economic times, under Dooley, the County failed to reduce its spending.

Finally, sales taxes in many of St. Louis County’s municipalities are almost 8%. This rate is higher than in most major Midwestern metropolitan areas. High sales taxes hurt local businesses and consumers.

For the first time in 26 years, the unemployment rate in the St. Louis area is around 10%. County residents are looking for work. St. Louis County residents should be able to choose how to manage their money for their own personal financial growth without worrying about taxes increasing at the local level.

To grow St. Louis County and return to prosperity, taxes must be low on individuals and businesses. Money is better managed by citizens, not the government.

Over the course of his career in business, Bill Corrigan has prepared and reviewed budgets for numerous businesses. Bill will carefully analyze and perform a top to bottom review of the County’s budget to determine where the taxpayers’ money can be saved.

Bill Corrigan will also fight against the natural desire of government to grow itself and raise taxes. This is not the time to raise taxes on an already over-taxed citizenry. Therefore, Bill Corrigan will protect families and businesses by imposing a moratorium on any increases on the property tax rate during Corrigan’s four year term in office.

## **II.**

***Under Charlie Dooley, Senior Citizens and homeowners are suffering with an unfair and unpredictable property tax system.***

### **CORRIGAN’S SOLUTION: CAP THE INCREASE IN PROPERTY VALUES TO THE RATE OF INFLATION**

St. Louis County residents have experienced the unpredictability of property value assessments under Charlie Dooley. Unpredictable assessments leave homeowners, especially senior citizens, to bear the brunt of a punishing tax bill based on ambiguous and, many times, unpredictable figures.

Since 2005, property tax bills for homeowners have dramatically increased by 30%.

Bill Corrigan believes St. Louis County needs to impose a cap on property tax increases not to exceed the rate of inflation. Corrigan is eager to work with the Missouri State Legislature to implement this change. This is the only fair and reasonable way to collect tax revenues and respecting St. Louis County homeowners.

### III.

***Under Charlie Dooley, Property Tax Assessments are decided by an unaccountable Assessor.***

#### **CORRIGAN'S SOLUTION: ELECT A COUNTY ASSESSOR**

Bill Corrigan believes that the St. Louis County Assessor should be an elected official and accountable to taxpayers. St. Louis County residents deserve accountability, fairness, and accuracy in the assessment of their property. Property assessments should be made from consistent comparable sales to ensure assessments are in line with the fair market of property values.

Currently, the St. Louis County Assessor enjoys civil service protection. As an appointed employee, the County Assessor avoids public accountability when the tax assessment system is unfair to homeowners and businesses. Without the citizen accountability that an election offers, houses on one street are being compared to houses miles away and true property comparables are not being used.

The result of inconsistent comparables is evident in 2009 property assessments. In 2008, the Federal Reserve Bank of St. Louis and the Realtors Association independently estimated a 19%-25% decrease in median home values in St. Louis County. However, according to the County Assessor's Office, the final assessments sent to County residents only reported a median 8% decrease. This inaccuracy demands accountability.

Charlie Dooley is on record opposing the election of the Assessor by the people. In 2005, Dooley opposed changing the County Charter to make the Assessor an elected position.

A provision will be on the November, 2010 ballot asking citizens whether to amend the Missouri Constitution. This proposed amendment would make the St. Louis County Assessor an elected position, joining the vast majority of the other 115 counties in Missouri.

A vote "yes" in November is a vote for accountability. Bill Corrigan supports this Amendment to increase accountability and fairness in the tax assessment process.

### IV.

***Under Charlie Dooley, St. Louis County is losing jobs and hurting businesses due to unfair and arbitrary taxes.***

#### **CORRIGAN'S SOLUTION: KEEP JOBS AND ATTRACT BUSINESSES THROUGH FAIR AND CONSISTENT TAXES**

St. Louis County must act to strengthen its economy or risk losing businesses that are the key to stabilizing and growing the County. Treating business fairly by keeping taxes low and consistent is critical to the growth of our local economy.

In 2009, many business owners' tax bills increased dramatically, some over 50%. This must be fixed to stabilize the local economy.

Raising taxes on business dramatically and arbitrarily hurts not only businesses, but also the County workforce. To pay these taxes, businesses must make cuts somewhere, and too often, these cuts result in hardworking citizens losing their jobs. Small businesses, which across the nation employ seven out of 10 workers, feel the results of these sudden tax increases. Moreover, high property taxes adversely affect economic development and the ability to recruit and retain businesses in the County. This economically destructive cycle must stop.

Bill Corrigan understands that the road to prosperity for St. Louis County begins with treating local business fairly and consistently. Low and consistent taxes lead to a stable business community and workforce.

## V.

***Under Charlie Dooley, Home Sale Comparisons are not current enough and fail to reflect real comparable sale.***

### **CORRIGAN'S SOLUTION: MAKE CURRENT ASSESSMENTS REALISTIC AND FAIR**

The Assessor's job is to assess (determine) the fair market value of property as of January 1, 2009 for the two year tax period of 2009 and 2010. Under the current system, the County Assessor may use comparable sales from up to three years in the past to determine home values. With an ever-changing economic landscape, both locally and nationally, comparing property values of today to property values of a more prosperous time is unfair to St. Louis County residents.

In 2008, property values decreased substantially, thereby making property values in 2007 and 2008 vastly different. However, the County Assessor used comparable sale prices from both years to calculate 2009 property values, making current assessments unrealistic and unfair in today's world. The property values of two years ago (2007) are not the realities of today. For 2009, only property values for 2008 should have been used to reflect fair market values as of January 1, 2009.

Bill Corrigan proposes that in the future the Assessor must be fairer to homeowners when deciding whether to look back at home sales for one, two or three years to ensure that assessments are accurate, especially when economic times demand such action. Corrigan will work closely with the County Council and County Assessor to implement this process to restore fair and accurate assessments in St. Louis County.

## VI.

*Under Charlie Dooley, so called Comparable Sales are not truly comparable sales.*

**CORRIGAN'S SOLUTION: UTILIZE A CONSISTENT AND ACCURATE COMPARABLE SALES ASSESSMENT PROCESS**

Under the current system, the Assessor's Office is not using consistent and accurate comparable sales when determining fair market value of homes in St. Louis County. The Assessor's Office generally uses five allegedly comparable home sales when determining fair market value. However, the Assessor's Office is using different sales to determine the value of similar homes.

Homes that are near one another, including similar homes across the street from each other, are being assessed using different comparable sales, instead of the same comparable sales. Moreover, some homes are being compared to home sales that are many miles away, and thus, they are not comparable sales.

Bill Corrigan proposes that the assessor's office must establish a more appropriate process, with checks and balances, to ensure that consistent and accurate comparable sales are being used to assess the value of homes.